AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE FRENCH REPUBLIC ON SOCIAL SECURITY

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE FRENCH REPUBLIC ON SOCIAL SECURITY WHICH CONSISTS OF TWO SEPARATE INSTRUMENTS, PURSUANT TO 42 U.S.C. 433(e)(1)

DECEMBER 1, 1987.—Message and accompanying papers referred to the Committee on Ways and Means and ordered to be printed

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To the Congress of the United States:

Pursuant to Section 233(e)(1) of the Social Security Act, as amended by the Social Security Amendments of 1977 (P.L. 95–216, 42 U.S.C. 433(e)(1)), I transmit herewith the Agreement between the United States of America and the French Republic on Social Security that consists of two separate instruments: a principal agreement signed at Paris on March 2, 1987, and an administrative agreement signed at Washington on October 21, 1987.

The U.S.-France Agreement is similar in objective to the social security agreements already in force with Belgium, Canada, the Federal Republic of Germany, Italy, Norway, Sweden, Switzerland, and the United Kingdom. Such bilateral agreements provide for limited coordination between the United States and foreign social security systems to overcome the problems of gaps in protection and of dual coverage and taxation for workers who move from one country to the other.

I also transmit for the information of the Congress a comprehensive report prepared by the Department of Health and Human Services, which explains the provisions of the Agreement and provides data on the number of persons affected by the Agreement and the effect on social security financing as required by the same provision of the Social Security Act.

The Department of State and the Department of Health and Human Services join with me in commending the U.S.-France Social Security Agreement and related documents.

RONALD REAGAN.

THE WHITE HOUSE, *November 30, 1987.*

AGREEMENT ON SOCIAL SECURITY

BETWEEN THE UNITED STATES OF AMERICA

AND

THE FRENCH REPUBLIC

The Government of the United States of America

and

the Government of the French Republic,

Being desirous of regulating the relationship between their two countries in the field of Social Security, have agreed as follows:

PART I

General Provisions

Article 1

For purposes of this Agreement:

1. "Territory of a Contracting State" means,

   as regards the United States, the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa; and

   as regards France, the European and Overseas Departments of the French Republic;

2. "National" means,

   as regards the United States, a national of the United States as defined in section 101, Immigration and Nationality Act of 1952, as amended; and

   as regards France, a person of French nationality;

3. "Laws" means the laws and regulations specified in Article 2;

4. "Competent Authority" means,

   as regards the United States, the Secretary of Health and Human Services; and

   as regards France, the Ministers responsible for implementation of the laws specified in Article 2, paragraph 1.b, each to the extent of his responsibility;

5. "Agency" means,

   as regards the United States, the Social Security Administration; and

   as regards France, the institution or agency responsible for applying in whole or in part the laws specified in Article 2, paragraph 1.b;

6. "Period of coverage" means a period of payment of contributions or a period of earnings from employment or self-employment ("activité non salariée"), as defined or recognized as a period of coverage by the laws under which such period has been completed, or any similar period insofar as it is recognized by such laws as equivalent to a period of coverage;

7. "Benefit" means any contributory benefit in cash or in kind provided for in the laws of either Contracting State;

8. "Stateless person" means a person defined as a stateless person in Article 1 of the Convention relating to the Status of Stateless Persons dated September 28, 1954;

9. "Refugee" means a person defined as a refugee in Article 1 of the Convention relating to the Status of Refugees dated July 28, 1951, and the Protocol to that Convention dated January 31, 1967;

10. Any term not defined in this Article shall have the meaning assigned to it in the laws which are being applied.

Article 2

1. For the purpose of this Agreement, the applicable laws are:

a. As regards the United States, the laws governing the Federal old-age, survivors, and disability insurance program:

(i) Title II of the Social Security Act and regulations pertaining thereto, except sections 226, 226A and 228 of that title and regulations pertaining to those sections; and

(ii) Chapter 2 and Chapter 21 of the Internal Revenue Code of 1986 and regulations pertaining to those chapters;

b. As regards France,

(i) laws establishing the administrative organization of social security programs;

(ii) laws establishing the social insurance system for nonagricultural employees and laws establishing the social insurance system for agricultural employees;

(iii) laws on prevention and compensation of occupational accidents and illnesses; laws on nonoccupational accident insurance and insurance against occupational accidents and illnesses for self-employed persons in agricultural occupations;

(iv) laws on family benefits;

(v) laws concerning special social security systems to the extent they relate to the risks or benefits covered by the laws enumerated in the preceding clauses, but excluding the special system for civil servants;

(vi) the law on the system for seamen;

(vii) laws concerning sickness and maternity insurance for nonagricultural self-employed workers and laws concerning sickness and maternity insurance for agricultural self-employed workers;

(viii) laws concerning old-age allowances and old-age insurance for nonagricultural self-employed workers, laws concerning old-age and invalidity insurance for clergymen and members of religious orders, laws concerning old-age and invalidity insurance for attorneys, and laws concerning old-age insurance for agricultural self-employed workers.

2. Notwithstanding paragraph 1.b(ii) and (vii) of this Article, this Agreement shall not apply to provisions of French laws which extend to French nationals who work or have worked outside French territory the right to enroll in voluntary insurance.

3. This Agreement shall also apply to legislation which amends or supplements the laws specified in paragraph 1; however, it shall apply to future legislation of a Contracting State which creates new categories of beneficiaries only if the Competent Authority of that Contracting State does not notify the Competent Authority of the other Contracting State in writing within three months of the date of the official publication of the new legislation that no such extension of the Agreement is intended.

4. Unless otherwise provided in this Agreement, laws within the meaning of paragraph 1 shall not include Regulations on Social Security implementing the Treaties establishing the European Communities or treaties or other international agreements which may be in force between either Contracting State and a third State, or laws or regulations promulgated for their specific implementation.

Article 3

Unless otherwise provided, this Agreement shall apply to

(a) persons who are or have been subject to the laws of either Contracting State and who are nationals of either Contracting State, refugees or stateless persons and

(b) other persons with respect to the rights they derive from the persons mentioned in paragraph (a).

Article 4

A national of a Contracting State who resides within the territory of the other Contracting State and to whom the provisions of this Agreement apply shall, together with his dependents, receive equal treatment with the nationals of the other Contracting State in the application of the laws of the other State regarding entitlement to and payment of benefits.

PART II

Provisions on Coverage

Article 5

1. Unless otherwise provided in this Agreement, a person employed within the territory of one of the Contracting States shall, with respect to that employment, be subject to the laws of only that Contracting State, even if the person resides in the territory of the other Contracting State or the place of business of the person's employer is in the territory of the other Contracting State.

2. Unless otherwise provided in this Agreement, a person employed on a vessel which flies the flag of a Contracting State who would otherwise be covered under the laws of both Contracting States shall be subject to the laws of only the State whose flag the vessel flies. For the purpose of this paragraph, a vessel which flies the flag of the United States is an "American vessel" within the meaning of United States laws.

Article 6

1. Where an employed person who is covered under the laws of one Contracting State with respect to work performed for an employer in the territory of that Contracting State is sent by that employer to work in the territory of the other Contracting State, the person shall be subject to the laws of only the first Contracting State as if he were employed in its territory, provided that the period of work in the territory of the other Contracting State is not expected to exceed 5 years.

2. Article 5, paragraph 2, shall not apply in the case of a person who is employed in the territorial waters or in a port of a Contracting State on a vessel flying the flag of the other Contracting State, if the person is not ordinarily employed at sea and is not a crew member. In such cases, Article 5, paragraph 1, or Article 6, paragraph 1, shall apply as appropriate.

3. Paragraph 1 shall apply in the case of an employed person who has been sent by his employer from the territory of a Contracting State to the territory of a third state and subsequently sent by that employer from the territory of the third state to the territory of the other Contracting State, only if the employed person is a national of a Contracting State.

4. A person who is employed in a public or private international air transport enterprise of one of the Contracting States as a member of the travelling personnel and who would otherwise be covered under the laws of both Contracting States shall be subject to the laws of only the Contracting State where the enterprise is headquartered.

Article 7

1. A person who is self-employed in the territory of one Contracting State shall be subject to the laws of only that Contracting State even if he resides in the territory of the other Contracting State.

2. A person who is normally self-employed in the territory of one Contracting State and who performs self-employment for a temporary period in the territory of the other Contracting State shall be subject to the laws of only the first Contracting State, provided that the period of self-employment in the territory of the other Contracting State is not expected to exceed 24 months.

3. Except as provided in paragraph 4, a person normally self-employed in the territory of both Contracting States shall be subject to the laws of only the Contracting State in whose territory the person performs his principal activity.

4. A person who is engaged in agricultural self-employment in the territory of one of the Contracting States and who is also employed or self-employed in the territory of the other Contracting State shall be subject, with respect to the agricultural self-employment, only to the laws of the Contracting State in whose territory it is performed.

Article 8

1. This Agreement shall not affect the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.

2. Nationals of one of the Contracting States who are employed by the Government of that Contracting State in the territory of the other Contracting State but who are not exempt from the laws of the other Contracting State by virtue of the Conventions mentioned in paragraph 1 shall be subject to the laws of only the first Contracting State. For the purposes of this paragraph, employment by the United States Government includes employment by an instrumentality thereof and employment by the French Government means employment in the service of the French Government or an instrumentality ("organisme dépendant") of the French Government performed in the territory of the United States by employees or civil servants or military personnel or persons treated as such.

Article 9

The Competent Authorities of the two Contracting States may agree to grant exceptions to the provisions of this Part in the interest of any person or category of persons, provided that the affected person shall be subject to the laws of one of the Contracting States.

Article 10

Except as provided in Article 6, paragraph 3, the provisions of Articles 5, 6, 7 and 9 shall apply to persons regardless of their nationality who would otherwise be covered under the laws of both Contracting States.

PART III

Provisions on Old-age, Survivors and Invalidity Benefits

Chapter 1

General Provisions

Article 11

1. Except as otherwise provided in this Agreement, any provision of United States laws which restricts, suspends or terminates entitlement to or payment of cash benefits solely because the person resides outside or is absent from the territory of the United States shall not be applicable to persons who reside in the territory of France.

2. Except as otherwise provided in this Agreement, benefits provided under French laws shall not be subject to any restriction on entitlement or any reduction, modification, suspension, termination, or forfeiture solely because the person described in Article 3 resides in the territory of the United States.

Chapter 2

Provisions Applicable to the United States

Article 12

1. Where a person has completed as least six quarters of coverage under United States laws, but does not have sufficient quarters of coverage to satisfy the requirements for entitlement to benefits under United States laws, the agency of the United States shall take into account, for the purpose of establishing entitlement to benefits under this Article, periods of coverage which are credited under French laws and which do not coincide with periods of coverage already credited under United States laws.

2. In determining eligibility for benefits under paragraph 1 of this Article, the agency of the United States shall credit one quarter of coverage for every calendar quarter credited under French laws, except that no quarter of coverage shall be credited for any calendar quarter already credited as a quarter of coverage under United States laws. The total number of quarters of coverage to be credited for a year shall not exceed four.

3. When entitlement to a benefit under United States laws is established according to the provisions of paragraph 1, the agency of the United States shall first compute a theoretical primary insurance amount in accordance with United States laws (including, as appropriate, the provisions of those laws on indexing of earnings) as if the worker had completed a coverage lifetime as determined in accordance with United States laws at the same earnings level as is credited to the worker during the periods of coverage actually completed under those laws. The agency of the United States shall then compute a pro rata primary insurance amount by applying to the theoretical primary insurance amount the ratio of the duration of the worker's periods of coverage credited under United States laws to the duration of a coverage lifetime. Benefits payable under United States laws on the basis of an earnings record where a pro rata primary insurance amount has been computed shall be paid on the basis of that pro rata primary insurance amount.

4. Entitlement to a benefit from the United States which results from paragraph 1 shall terminate with the acquisition of sufficient periods of coverage under United States laws to establish entitlement to an equal or higher benefit without the need to invoke the provisions of paragraph 1.

5. The provisions of this Article and Article 11, paragraph 1, shall apply to persons without regard to their nationality.

Chapter 3

Provisions Applicable to France

Article 13

1. Nationals of either of the Contracting States, refugees and stateless persons who have been subject successively or alternately to one or several social insurance systems in each of the Contracting States shall receive benefits under French laws as provided in this Article.

2. Except as provided in paragraph 3, when the individual has sufficient coverage to satisfy the requirements of French laws for entitlement to an old-age, survivor, or invalidity pension without the necessity of referring to the periods of coverage completed under United States laws, the French agency shall determine the amount of the pension according to the provisions of French laws, taking into account only the periods of coverage completed under French laws.

3. (a) Notwithstanding paragraph 2, when an individual who qualifies for an invalidity pension under French laws is also entitled to a disability benefit under United States laws, the French agency shall determine the amount of the invalidity pension it pays according to the provisions of paragraph 4.b(ii) and (iii).

(b) If the amount of the invalidity pension computed exclusively according to French laws without recourse to this Agreement would be greater than the total amount of the benefits payable by the agencies of both Contracting States in accordance with the provisions of this Agreement, the French agency shall pay the benefit amount computed in accordance with the provisions of paragraph 4.b(ii) and (iii) increased by the difference between the amount of the invalidity pension computed exclusively according to French laws and such total amount.

4. When the individual does not have sufficient coverage to satisfy the requirements for a French old-age, survivor or invalidity pension, the benefit which the individual may claim from the French agency shal be awarded according to the following rules:

a. Totalization of periods of coverage

The agency of France shall take account of periods of coverage credited under the laws of the United States to the extent that they do not coincide with periods of coverage credited under French laws, both for purposes of determining the right to benefits as well as the maintenance or recovery of this right.

b. Award of the benefit

(i) Taking account of the totalization of periods as provided in subparagraph a., the French agency shall determine, according to its own laws, if the applicant meets the requirements for entitlement to an old-age, survivor or invalidity pension under its laws.

(ii) If the applicant is eligible for a pension, the French agency shall determine the benefit to which the insured would have been entitled if all the periods of coverage and equivalent periods had been completed exclusively under its own laws. When the amount of the pension is based on the average salary during all or part of the period of coverage, the average salary shall be determined on the basis of the period of coverage completed under French laws.

(iii) The benefit payable to the benef ciary shall be determined by reducing the amount of the benefit referred to in (ii) above to a pro rata amount based on the ratio of (A) the duration of periods of coverage and equivalent periods acquired under French laws to (B) the total periods completed under the laws of the two Contracting States. The total referred to in (B) shall be limited to the number of quarters of coverage required to qualify for a full old-age pension under French laws.

5. If a person no longer has a right to a French invalidity pension because he is not covered under French laws, the French agency shall award an invalidity pension in accordance with the provisions of paragraph 4 (a) and (b) above, provided that the person has completed at least 6 quarters of coverage under United States laws or is eligible for Social Security benefits under United States laws.

Article 14

If the sum of the periods of coverage completed under French laws is less than one year, the French agency shall not be required to award benefits on the basis of the said periods unless a right to benefits is acquired under French laws solely on the basis of these periods. In this case, the benefit shall be awarded only on the basis of these periods.

Article 15

Nationals of either Contracting State shall be entitled to enroll in voluntary insurance provided by French Social Security laws when they reside in French territory, taking into account as appropriate periods of coverage or equivalent periods completed under United States laws.

Article 16

Benefits based on periods of coverage completed under French laws shall be paid to nationals of a third state with which France has a Social Security convention if they reside in the territory of the United States.

Article 17

1. Where French laws award certain benefits only on the condition that the periods of coverage were completed in a profession covered by a special system or in a specified profession or employment, the periods acquired under United States laws shall be taken into account in determining eligibility for these benefits only if they were acquired in the same profession or employment.

2. If, taking account of the periods thus acquired, the individual does not meet the requirements for entitlement to the said benefits, these periods shall be taken into account for the award of benefits under the general system, without taking into account their special nature.

3. Notwithstanding the provisions of Article 11, paragraph 2:

   (a) The special allowance and cumulative indemnity provided by the special French laws for mine workers shall be payable only to individuals who work in French mines.

   (b) The allowances for dependent children provided by the special French laws for mine workers shall be paid according to the conditions specified therein.

   (c) The occupational invalidity pension provided by the special laws applicable to mine workers in France shall be paid to insured individuals who are subject to these special laws at the moment the accident or sickness which led to the invalidity occurred if the individuals resided in France until the date of award of the said pension. The pension shall be discontinued for pensioners who resume work outside of France.

Article 18

The provisions of the present chapter are applicable, by analogy, to the rights of surviving spouses and children.

PART IV

'Miscellaneous Provisions

Article 19

1. The Competent Authorities and the agencies of the Contracting States, within the scope of their respective authorities, shall assist each other in implementing this Agreement.

2. The Competent Authorities of the two Contracting States shall:

   (a) Conclude an Adminstrative Arrangement and make such other arrangements as may be necessary 'or the application of this Agreement;

   (b) Communicate to each other information concerning the measures taken for the application of this Agreement; and

   (c) Communicate to each other, as soon as possible, information concerning all changes in their respective laws which may affect the application of this Agreement.

3. Liaison agencies for the implementation of this Agreement shall be designated in the Administrative Arrangement.

Article 20

1. The Competent Authorities and agencies of the Contracting States may correspond directly with each other and with any person wherever the person may reside whenever it is necessary for the administration of this Agreement. The correspondence may be in the writer's official language.

2. An application or document may not be rejected because it is in an official language of the other Contracting State.

3. Exemptions from or reductions in taxes or stamp, registration, or enrollment fees provided by the laws of one of the Contracting States for evidence or documents which must be presented in application of the laws of that State shall be extended to the corresponding evidence or documents to be presented to the social security authorities or agencies of the other State in application of this Agreement.

4. Documents and certificates which are presented for purposes of this Agreement shall be exempted from requirements for authentication or legalization by diplomatic or consular authorities.

5. Copies of documents which are certified as true and exact copies by an agency of one Contracting State shall be accepted as true and exact copies by an agency of the other Contracting State, without further certification. The agency of each Contracting State shall be the final judge of the probative value of the evidence submitted to it from whatever source.

Article 21

1. The provisions of this Agreement shall apply only to an application for benefits which is filed on or after the date this Agreement enters into force.

2. A written application for benefits filed with an agency of one Contracting State shall protect the rights of the claimants under the laws of the other Contracting State if the applicant requests that it be considered an application under the laws of the other Contracting State.

3. If an applicant has filed a written application for benefits with the agency of one Contracting State and has not specifically restricted the application to benefits under the laws of that State, the application shall also protect the rights of the claimants under the laws of the other Contrcting State if the applicant provides information at the time of filing indicating that the person on whose record benefits are claimed has completed periods of coverage under the laws of the other Contracting State.

Article 22

An application, appeal, or other document which according to the laws of a Contracting State must be submitted to an agency of that Contracting State within a specified period shall be considered to have been submitted on time if it is submitted within the same period to an agency of the other Contracting State. In such case, the agency to which the application, appeal, or document has been submitted shall indicate the date of receipt on the document and transmit it without delay to the liaison agency of the other Contracting State.

Article 23

1. Payments under this Agreement may be made in the currency of the Contracting State making the payment.

2. In case provisions designed to restrict the exchange or exportation of currencies are introduced by either Contracting State, the Governments of both Contracting States shall immediately decide on the measures necessary to insure the transfer of sums owed by either Contracting State under this Agreement.

Article 24

1. Disagreements arising in connection with the application of this Agreement shall, as far as possible, be resolved by the Competent Authorities of the Contracting States.

2. If any such disagreement has not been resolved within a period of six months, either Contracting State may submit the matter to binding arbitration by an arbitral body whose composition and procedure shall be agreed upon by the Contracting States.

Article 25

This Agreement may be amended in the future by supplementary agreements which, from their entry into force, shall be considered an integral part of this Agreement. Such supplementary agreements may be given retroactive effect if they so specify.

Article 26

This Agreement shall not affect provisions of French laws concerning the participation of non-nationals in the organizations necessary for the operation of the Social Security systems.

PART V

Transitional and Final Provisions

Article 27

1. This Agreement shall not establish any claim to benefits for any period before its entry into force or to a lump-sum death benefit under United States laws if the person died before its entry into force.

2. Periods of coverage completed before the entry into force of this Agreement shall be taken into account in order to determine the right to benefits under this Agreement, except that neither Contracting State shall be required to take into account periods of coverage occurring prior to the earliest date for which periods of coverage may be credited under its laws.

3. This Agreement shall apply to events which occurred prior to its entry into force insofar as those events are relevant to rights under the laws specified in Article 2.

4. This Agreement shall not result in the reduction of any cash benefit to which entitlement existed prior to its entry into force.

5. (a) Determinations made before the entry into force of this Agreement shall not affect rights arising under it.

(b) Any benefit which was denied or suspended under the domestic law of either Contracting State but which is payable by virtue of this Agreement shall, upon application of the person concerned, be awarded or reinstated upon entry into force of the Agreement, provided that the right to such benefit has not been settled by a lump-sum payment.

(c) Benefit rights which a person acquired prior to the entry into force of this Agreement may be reviewed upon application of the person concerned taking into account the provisions of this Agreement.

6. In applying Article 6, paragraph 1, or Article 7, paragraph 2, in the case of persons who began a period of work in the territory of a Contracting State prior to the effective date of this Agreement, the period of work or self-employment referred to in those two paragraphs shall be considered to begin on that effective date.

Article 28

1. The Governments of both Contrating States shall notify each other in writing of the completion of their respective statutory and constitutional procedures required for the entry into force of this Agreement.

2. This Agreement shall enter into force on the first day of the third month following the date of the last notification.

ARTICLE 29

1. This Agreement shall remain in force and effect until the expiration of one calendar year following the year in which written notice of its termination is given by one of the Contracting States to the other Contracting State.

2. If this Agreement is terminated, rights regarding entitlement to or payment of benefits acquired under it shall be retained; the Contracting States shall make arrangements dealing with rights in the process of being acquired.

In witness whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

Done at Paris on March 2, 1987, in duplicate in the English and French languages, both texts being equally authentic.

FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:

Joe M. Rodgers
Ambassador Extraordinary
and Plenipotentiary

FOR THE GOVERNMENT OF
THE FRENCH REPUBLIC:

Philippe Séguin
Minister of Social
Affairs and Employment

ADMINISTRATIVE ARRANGEMENT

CONCERNING THE APPLICATION

OF THE AGREEMENT ON SOCIAL SECURITY

BETWEEN THE UNITED STATES OF AMERICA

AND

THE FRENCH REPUBLIC

Pursuant to the provisions of Article 19, paragraph 2(a), of the Agreement between the United States of America and the French Republic on Social Security, signed March 2, 1987, hereinafter referred to as the "Agreement", the Competent Authorities of the two Contracting States have agreed on the following provisions for application of the Agreement:

PART I

General Provisions

ARTICLE 1

Terms used in this Administrative Arrangement shall have the same meaning as in the Agreement.

ARTICLE 2

1. Pursuant to Article 19, paragraph 3, of the Agreement, the liaison agencies designated by the Competent Authorities of the two Contracting States shall be:

(a) For the United States of America:

-- the Social Security Administration;

(b) For France:

-- the Center for Social Security of Migrant Workers (Centre de la Securite Sociale des Travailleurs Migrants);

-- the National Independent Social Security Fund for Miners (Caisse Autonome Nationale de la Securite Sociale dans les Mines) with respect to coverage and invalidity and old-age benefits and death allowances under the social security system for mine workers.

2. The United States Social Security Administration and the French Competent Authorities shall agree upon joint procedures and forms necessary for the application of the Agreement and this Administrative Arrangement.

PART II

Provisions on Coverage

ARTICLE 3

1. In applying Part II of the Agreement,

(a) where the laws of a Contracting State continue to be applicable in accordance with Article 6, paragraph 1, or Article 7, paragraph 2, of the Agreement, the agency of that Contracting State designated in paragraph 3 shall issue, upon request of the employer or self-employed person, a certificate stating that, for the duration of the mission, the employee or self-employed person remains covered by those laws with respect to the work in question;

(b) in all other cases where the laws of a Contracting State are applicable in accordance with Part II of the Agreement, the agency of that Contracting State designated in paragraph 3 shall issue, upon request of the employer or self-employed person, a certificate stating that the employee or self-employed person is subject to the laws of that Contracting State;

(c) the certificates referred to in subparagraphs (a) and (b) shall exempt the named worker from the laws on compulsory coverage of the other Contracting State.

2. In the case of a person who has been sent from the United States to France in accordance with Article 6, paragraph 1, or Article 7, paragraph 2, of the Agreement, the United States agency shall only issue a certificate under paragraph 1 of this Article if the employer or self-employed person has certified that the employee in the first

case, or the self-employed person in the second case, is covered under a program which insures the person and the family members who accompany him against the cost of health care.

If the employee or self-employed person is not covered under such a program, the person concerned shall be subject to French laws and exempt from United States laws in accordance with Article 5 or Article 7, paragraph 1, of the Agreement.

3. The certificates referred to in paragraph 1 shall be isssued:

a) In the United States of America by:

-- the Social Security Administration;

b) In France by:

-- the Primary Sickness Insurance Fund (Caisse Primaire d'Assurance Maladie) for persons covered under the general social security system,

-- the agency responsible for administering a particular special social security system for persons covered under that system,

-- the agency designated by the Regional Mutual Benefit Funds (Caisses Mutuelles Regionales) with respect to self-employed persons,

-- the National Independent Social Security Fund for Miners (Caisse Autonome Nationale de Securite Sociale dans les Mines) for persons covered under the social security system for mine workers,

-- the Agricultural Social Insurance Mutual Benefit Fund (Caisse de Mutualite Sociale Agricole) for persons covered under the agricultural social security system,

-- the National Establishment for Disabled Seafarers (Etablissement National des Invalides de la Marine) for persons covered under the social security system for seafarers.

4. The agency of a Contracting State which issues the certificates referred to in paragraph 1 shall furnish a copy of these certificates to the liaison agency of the other Contracting State.

ARTICLE 4

1. If an agency of a Contracting State has issued a certificate referred to in Article 3, paragraph 1 (a), of this Administrative Arrangement with respect to a worker for a period of work in the territory of the other Contracting State to which the person was sent in accordance with Article 6, paragraph 1, of the Agreement, and the worker subsequently begins a new period of work in the territory of the other Contracting State, the worker shall not be entitled to a certificate with respect to the new period unless

(1) the new period of work begins at least 1 year after the end of the initial period of work or

(2) the new period of work is not expected to last beyond 5 years from the date on which the initial period of work began.

2. If an agency of a Contracting State has issued a certificate referred to in Article 3, paragraph 1 (a), of this Administrative Arrangement with respect to a worker for a temporary period of self-employment performed in the territory of the other Contracting State in accordance with Article 7, paragraph 2, of the Agreement, and the worker subsequently begins a new period of self-employment in the territory of the other Contracting State, the worker shall not be entitled to a certificate with respect to the new period unless

(1) the new period of self-employment begins at least 1 year after the end of the initial period of self-employment or

(2) the new period of self-employment is not expected to last beyond 24 months from the date on which the initial period of self-employment began.

ARTICLE 5

1. For purposes of Article 7, paragraph 3, of the Agreement, a self-employed person shall be considered to perform his principal activity in the territory of the Contracting State in which he maintains a fixed base for more than 183 days during the fiscal year concerned.

If the person maintains a fixed base in the territory of both Contracting States or of neither Contracting State for more than 183 days in such year, he shall be considered to perform his principal activity in the territory of the Contracting State in which he is present for the greater number of days in such year.

Where difficulties arise, the agencies shall furnish each other with all information necessary to determine the principal activity of the person concerned.

2. If self-employment is covered under the laws of a Contracting State in accordance with Article 7, paragraph 3, of the Agreement, the amount of income from self-employment that is creditable for benefit computation purposes and the amount of contributions that are due under those laws shall be based on the income derived from self-employment performed in the territory of both Contracting States. The contribution rate to be applied in determining the amount of contributions due shall be that which applies under those laws.

ARTICLE 6

To establish eligibility for voluntary or continued optional coverage under the French social security system as provided by Article 15 of the Agreement, the person concerned shall submit to the French agency a record of the periods of coverage or equivalent periods completed under United States laws. This record shall be submitted by the United States agency if the person so requests.

PART III

Provisions on Benefits

ARTICLE 7

1. The agency of a Contracting State with which an application for benefits is first filed in accordance with Article 21 of the Agreement shall inform the appropriate agency of the other Contracting State of this fact without delay, either directly or through the liaison agency, and provide such evidence and other available information as may be necessary to complete action on the claim.

2. The agency of a Contracting State which receives an application that was first filed with an agency of the other Contracting State shall without delay provide the appropriate agency of the other Contracting State, either directly or through the liaison agency, with such evidence and other available information as may be required to complete action on the claim.

3. The agency of the Contracting State with which an application for benefits has been filed shall verify the accuracy of the information pertaining to the applicant and his family members. The types of information to be verified shall be agreed upon by the Competent Authorities or, with their authorization, the liaison agencies.

ARTICLE 8

1. When necessary for the application of Part III of the Agreement, an agency of a Contracting State shall send a record of the periods of coverage completed by a person under the laws of that Contracting State to the liaison agency of the other Contracting State.

2. When claiming benefits in accordance with Article 17 of the Agreement

(a) the claimant shall be responsible for furnishing the French agency all documentary evidence necessary to allow that agency to determine if it can take into account periods certified by the United States agency under paragraph 1;

(b) services performed in the United States shall be considered to be performed underground if they would be so considered in accordance with the special French laws on social security for mine workers if the services had been performed in France.

3. In applying Part III of the Agreement in cases where periods of coverage under the laws of both Contracting States coincide, the agency of each Contracting State shall take into account only the periods of coverage completed under the laws which it applies.

4. For purposes of Article 13, paragraph 4(a), of the Agreement, one quarter of coverage certified by the United States agency shall equal one quarter of coverage credited under French laws.

ARTICLE 9

Benefits which are awarded by an agency of a Contracting State in accordance with the Agreement shall be revalued according to the same provisions as benefits awarded in accordance with the laws of that Contracting State.

ARTICLE 10

1. Benefits payable by an agency of a Contracting State shall be paid directly to the beneficiary in accordance with the laws of that Contracting State.

2. Laws of a Contracting State which provide for reduction, suspension, or termination of benefits to take account of other social security benefits or other income may be applied to beneficiaries even if benefits are being paid by virtue of the laws of the other Contracting State or if the individual receives income in the territory of the other Contracting State.

3. Notwithstanding paragraph 2, pro rata old-age, survivors, or disability benefits payable by the agency of one Contracting State in accordance with Part III of the Agreement shall not be reduced to take account of pro rata benefits of the same type that are paid by an agency of the other Contracting State.

PART IV

Miscellaneous Provisions

ARTICLE 11

In accordance with measures to be agreed upon by the Competent Authorities or, with their authorization, the liaison agencies, the agencies of the two Contracting States shall communicate to each other, upon request and, if necessary, through the liaison agencies, all available information likely to affect a specified individual's benefits paid under the Agreement.

ARTICLE 12

1. Where administrative assistance is furnished under Article 19, paragraph 1, of the Agreement, expenses other than regular personnel and operating costs of the agencies providing the assistance shall be reimbursed by the agency which requested it.

2. Upon request, the agency of either Contracting State shall furnish without cost to the agency of the other Contracting State any medical information and documentation in its possession relevant to the disability of the claimant or beneficiary.

3. Where the agency of a Contracting State requires that a person in the territory of the other Contracting State who is receiving or applying for benefits under the Agreement submit to a medical examination, such examination, if requested by that agency, shall be arranged by the agency of the other Contracting State in accordance with the rules of the agency making the arrangements and at the expense of the agency which requests the examination.

4. Amounts owed under paragraph 1 or 3 shall be reimbursed upon presentation of a statement of expenses.

ARTICLE 13

The liaison agencies of the two Contracting States shall exchange statistics on the number of certificates issued under Article 3 of this Administrative Arrangement and on the payments made to beneficiaries under the Agreement. These statistics shall be furnished annually in a form to be agreed upon by the Competent Authorities or the liaison agencies.

ARTICLE 14

Unless otherwise required by the national statutes of a Contracting State, information about an individual which is transmitted in accordance with the Agreement to that Contracting State by the other Contracting State shall be used exclusively for purposes of implementing the Agreement. Such information received by a Contracting State shall be governed by the national statutes of that Contracting State for the protection of privacy and confidentiality of personal data.

ARTICLE 15

This Administrative Arrangement shall enter into force on the date of entry into force of the Agreement and shall have the same period of validity.

Done at Washington DC on Oct 21, 1987, in duplicate, in the English and French languages, both texts being equally authentic.

FOR THE UNITED STATES COMPETENT AUTHORITY:

Thomas R. Hardy

FOR THE FRENCH COMPETENT AUTHORITIES:

REPORT TO CONGRESS
TO ACCOMPANY THE SOCIAL SECURITY AGREEMENT
BETWEEN THE UNITED STATES AND FRANCE

I. INTRODUCTION

The social security agreement between the United States and France is intended to provide limited coordination of the old-age, survivors, and disability insurance (OASDI) programs of the two countries. The agreement is similar in content and objective to agreements already in force between the United States and Belgium, Canada, the Federal Republic of Germany, Italy, Norway, Sweden, Switzerland and the United Kingdom.

The U.S.-French agreement consists of two separate instruments: (1) a principal agreement setting forth the basic rules for coordinating the two countries' social security systems; and (2) an administrative arrangement establishing policies and procedures to implement the principal agreement. These two documents, which were signed by representatives of the U.S. and French Governments on March 2, 1987, and October 21, 1987, respectively, are now being submitted to Congress for review in accordance with section 233(e) of the Social Security Act.

The U.S.-French agreement would eliminate dual coverage and taxation, the situation that now exists when a person from one country works in the other country and is covered under and required (along with the person's employer) to pay contributions to the social security systems of both countries for the same work. In addition to eliminating dual coverage, the agreement would help prevent situations where workers suffer a loss of benefit rights merely because they have divided their careers between the two countries.

Accompanying this report are paragraph-by-paragraph explanations of the provisions of the principal agreement (Annex A) and related administrative arrangement (Annex B). A report required by section 233(e)(1) of the Social Security Act on the effect of the agreement on income and expenditures of the U.S. Social Security program and the number of individuals affected by the agreement is also included (Annex C).

II. STATUTORY REQUIREMENTS

Section 233(c)(1) of the Social Security Act requires that international agreements concluded pursuant to that section provide for the elimination of dual coverage of the same work under the social security systems of the United States and the other country party to the agreement, and for combining credits earned by a worker under the two systems for benefit eligibility purposes. In addition, the law stipulates that when eligibility for U.S. Social Security benefits is established on the basis of combined credits, the amount of the benefit payable must be based on the proportion of the worker's periods of coverage completed under title II of the Social Security Act. The U.S.-French agreement includes these required provisions.

III. COVERAGE PROVISIONS

In conformity with section 233(c)(1)(B) of the Social Security Act, Part II of the principal agreement sets forth rules designed to eliminate dual coverage and taxation of the same work under the U.S. and French social security systems.

A. Rules Governing Employees

The rules which apply to employed persons provide that dual coverage under the laws of the United States and France would be eliminated generally by maintaining an employee's coverage under the system of the country where the work is performed and exempting the employee from compulsory coverage under the system of the other country.

Special rules would apply, however, for employees who are temporarily transferred by their employer in one country to work in the other country for a period of 5 years or less. In these cases, an employee who was covered in one country before his transfer would continue to be covered under that country's system and would be exempt from coverage in the other country. Thus, a person working in the United States who is temporarily transferred by his employer to France would only be covered under and pay contributions to the U.S. program, and he and his employer would be relieved of the additional burden of paying social security contributions to the French program.

Other rules set forth in this Part would apply to persons employed by the Governments of the two countries and to persons employed in international air and ship transportation.

B. Rules Governing Self-employed Persons

Part II also contains rules applicable to persons whose earnings from self-employment would be subject to compulsory coverage and contributions under the laws of both countries. Under these rules, a person who performs self-employment in only one country would generally be subject exclusively to the social security laws of that country. However, if the person had transferred a trade or business to that country from the other country for a period of 24 months or less, the person would remain covered only by the country from which the trade or business had been transferred. If the person performed self-employment during a taxable year in both countries, the person would be subject only to the laws of the country in which the person performed his or her principal activity, as determined in accordance with rules in the administrative arrangement.

IV. BENEFIT PROVISIONS

Part III of the principal agreement establishes the basic rules for determining entitlement to and the amount of U.S. and French benefits for persons who have worked in both countries. These benefit provisions are included pursuant to sections 233(c)(1)(A) and (C) of the Social Security Act.

A. Provisions Applicable to the United States

1. Totalization of Periods of Coverage

Under the rules which apply to the United States, if a worker has credit for at least 6 quarters of coverage under the U.S. Social Security system but not enough credits to qualify for a U.S. benefit, the worker's coverage credits from both countries could be totalized (i.e., combined) to permit him or her to qualify for a partial U.S. benefit. Since periods of coverage under the French social security program are measured in terms of calendar quarters, the United States would credit one quarter of coverage for each French

quarter of coverage in a calendar year. The United States would not, however, credit quarters of coverage under French law if they coincide with quarters of coverage already credited under the U.S. system. As explained below, the benefit amount of a person who qualifies based on totalized U.S. and French credits would be proportional to the amount of coverage completed in the United States.

2. Computation of U.S. Totalization Benefit Amounts

The amount of a U.S. benefit for which a person may qualify based on totalized periods of coverage depends on both the duration of the worker's coverage under U.S. Social Security and the level of his earnings. A detailed description of the totalization benefit computation procedure is contained in regulations of the Department of Health and Human Services (20 CFR 404.1918). The first step in the procedure is to compute a theoretical benefit amount as though the worker had worked a full coverage lifetime (i.e., a full career) under U.S. Social Security at the same earnings level as during his actual periods of U.S. covered work. The theoretical benefit is then prorated to reflect the proportion of a coverage lifetime the worker completed under the U.S. program. A coverage lifetime is defined in the regulations as the number of the worker's benefit computation years, i.e., the years which must be used in determining a worker's average earnings under the regular U.S. national computation method.

B. Provisions Applicable to France

1. French Benefits

France provides old-age, survivors, and disability benefits through several programs. A general social security system covers the majority of workers in the private sector, and numerous special systems cover other workers in specific occupational categories. In order to qualify for French benefits, a worker must meet applicable eligibility standards, which, for certain types of benefits, include minimum length-of-coverage and recency-of-work

requirements that are specified for each type of benefit.

2. Totalization of Periods of Coverage

The totalization provisions of the agreement apply to the French social security laws which govern the payment of retirement, survivors, and long-term disability benefits under the general and special social security systems.

Under the agreement, if a worker has at least one year of French coverage, France would add U.S. quarters of coverage to periods of French coverage in order to determine whether the worker meets the applicable minimum coverage and recency-of-work requirements for benefit eligibility under French law. France will not give credit for U.S. coverage which coincides with periods that are already credited under French law.

Where eligibility is established based on combined U.S. and French credits, France would compute a theoretical benefit amount as if the worker's U.S. periods of coverage had been completed under French law. To determine the amount actually payable, the theoretical amount would be prorated by multiplying it by the ratio of the periods of coverage credited under French law to the total periods credited in both countries.

C. Benefit Portability

Section 233(c)(2) of the Social Security Act permits agreements to contain provisions suspending the application of the alien nonpayment provisions of the Social Security Act (Section 202(t)) for persons residing in a foreign country with which the United States has an agreement in force. French nationals outside the United States, including those residing in France, are already exempt from the nonpayment provisions of section 202(t)(1) in accordance with section 202(t)(2). However, citizens of other countries who reside in France may not be. The agreement, therefore, provides an exemption from the nonpayment provisions of section 202(t)(1) for insured persons and their dependents or survivors, regardless of their citizenship, if they reside in France.

Under section 202(t)(11), benefits generally may not be paid to nonresident aliens who first become eligible for title II dependent or survivor benefits after 1984, unless they satisfy certain U.S. residency requirements, or they are citizens or residents of a country with which the United States has an agreement in force pursuant to section 233 of the Social Security Act. Once the U.S.-French social security agreement enters into force, citizens or residents of France will no longer be subject to this nonpayment provision.

The agreement would also guarantee that persons who reside in the United States and who are U.S. or French nationals, refugees or stateless persons, as well as their U.S. resident dependents and survivors regardless of nationality, could qualify for and receive French benefits. This guarantee would extend to other third-country nationals who reside in the United States if France has a social security agreement with their country of nationality. Diplomatic notes exchanged in 1968 between the United States and France which provide for payment of French benefits to U.S. nationals while residing in third countries would not be affected.

V. OTHER PROVISIONS

Section 233(c)(4) of the Social Security Act authorizes agreements to contain other provisions not inconsistent with title II of the Act which are appropriate to carry out the purposes of the agreements. In accordance with this provision, the principal agreement and administrative arrangement contain a number of articles designed to permit the United States or France to render free or reimbursable assistance to the other country in implementing the agreement.

ANNEX A

Annotations to the Agreement Between the United States of America and France on Social Security

AGREEMENT	ANNOTATIONS AND COMMENTS
AGREEMENT ON SOCIAL SECURITY BETWEEN THE UNITED STATES OF AMERICA AND THE FRENCH REPUBLIC	This document is described as an "Agreement," with the understanding that it will enter into force for France as a formal treaty subject to parliamentary ratification and for the United States as an executive agreement under authority of section 233 of the Social Security Act. Upon entry into force, the Agreement will have the effect of law in both countries and will be binding on both countries.
The Government of the United States of America and the Government of the French Republic, Being desirous of regulating the relationship between their two countries in the field of Social Security, have agreed as follows:	

AGREEMENT

PART I

General Provisions

Article I

For purposes of this Agreement:

1. "Territory of a Contracting State" means,

   as regards the United States, the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa; and

   as regards France, the European and Overseas Departments of the French Republic;

2. "National" means,

   as regards the United States, a national of the United States as defined in section 101, Immigration and Nationality Act of 1952, as amended; and

   as regards France, a person of French nationality;

ANNOTATIONS AND COMMENTS

Article I defines key terms used in the Agreement.

Article I.1 defines the territory of the United States and France for purposes of applying the Agreement.

The definition of United States territory is identical to the definition of the United States in section 210(i) of the Social Security Act.

The definition of French territory includes the territory of the French Republic on the European Continent as well as the overseas departments of Guadeloupe, Guiana, Martinique, and Reunion.

Under section 101 of the Immigration and Nationality Act of 1952, "the term national of the United States means (A) a citizen of the United States, or (B) a person who, though not a citizen of the United States, owes permanent allegiance to the United States." Those in category (B) include natives of American Samoa and Swain's Island.

A French national means any person who is accorded nationality by France including, but not limited to, a person who carries a valid French passport or other valid identity document designating the person as a French national.

AGREEMENT	ANNOTATIONS AND COMMENTS
3. "Laws" means the laws and regulations specified in Article 2;	The term "laws," as used in the Agreement, refers to the social security laws and regulations of each country as specified in Article 2.
4. "Competent Authority" means, as regards the United States, the Secretary of Health and Human Services; and as regards France, the Ministers responsible for implementation of the laws specified in Article 2, paragraph 1. b, each to the extent of his responsibility;	"Competent Authority," as used throughout this Agreement, refers to the Government official in each country with ultimate responsibility for administering the social security program, including the provisions of the Agreement.
5. "Agency" means, as regards the United States, the Social Security Administration; and as regards France, the institution or agency responsible for applying in whole or in part the laws specified in Article 2, paragraph 1. b;	"Agency," as used in the Agreement, refers to the administrative body in each country responsible for taking and processing claims and making coverage determinations under each country's social security laws. The Social Security Administration (SSA) is the agency for the United States. However, the U.S. Internal Revenue Service's responsibility for determining Social Security tax liability in light of SSA coverage determinations under the Agreement is not affected. In France, a number of separate offices are responsible for administering the benefit and coverage provisions of French social security laws. Any one of these offices may be the "agency" for purposes of the Agreement in a particular case.
6. "Period of coverage" means a period of payment of contributions or a period of earnings from employment or self-employment ("activite non salariee"), as defined or recognized as a period of coverage by the laws under which such period has been completed, or any similar period insofar as it is recognized by such laws as equivalent to a period of coverage;	The term "period of coverage" means any period which is credited under the laws of either country for purposes of determining benefit eligibility, including periods of covered employment or self-employment.

AGREEMENT	ANNOTATIONS AND COMMENTS
7. "Benefit" means any contributory benefit in cash or in kind provided for in the laws of either Contracting State;	"Benefit" refers to cash benefits provided under the social security laws of either country, as well as benefits-in-kind (rehabilitation measures and health care provided under French laws). The term "benefit" also includes the lump-sum death payment under section 202(i) of the U.S. Social Security Act, but excludes special age-72 payments provided for certain uninsured persons under section 228 of the Social Security Act of the United States. The term has been limited to benefits of a contributory nature and, therefore, excludes certain means-tested benefits under French laws which are financed from general tax revenues rather than social security contributions. Similar U.S. means-tested benefits, such as those provided under the Supplemental Security Income Program for the Aged, Blind and Disabled are also outside the scope of the Agreement. It is not intended that the term "benefit" exclude payments under essentially contributory programs which may be based in whole or in part on periods of social security coverage for which no contributions were required.
8. "Stateless person" means a person defined as a stateless person in Article 1 of the Convention relating to the Status of Stateless Persons dated September 28, 1954;	The Convention relating to the Status of Stateless Persons defines a "stateless person" as "a person who is not considered as a national by any State under the operation of its law."
9. "Refugee" means a person defined as a refugee in Article 1 of the Convention relating to the Status of Refugees dated July 28, 1951, and the Protocol to that Convention dated January 31, 1967;	The Convention relating to the Status of Refugees, in conjunction with the 1967 Protocol thereto, defines "refugee" as any person who "owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence, is unable or, owing to such fear, is unwilling to return to it."

AGREEMENT

10. Any term not defined in this Article shall have the meaning assigned to it in the laws which are being applied.

Article 2

1. For the purpose of this Agreement, the applicable laws are:

   a. As regards the United States, the laws governing the Federal old-age, survivors, and disability insurance program:

      (i) Title II of the Social Security Act and regulations pertaining thereto, except sections 226, 226A and 228 of that title and regulations pertaining to those sections; and

      (ii) Chapter 2 and Chapter 21 of the Internal Revenue Code of 1986 and regulations pertaining to those chapters;

   b. As regards France,

      (i) laws establishing the administrative organization of social security programs;

      (ii) laws establishing the social insurance system for nonagricultural employees and laws establishing the social insurance system for agricultural employees;

      (iii) laws on prevention and compensation of occupational accidents and illnesses; laws on nonoccupational accident insurance and insurance against occupational accidents and illnesses for self-employed persons in agricultural occupations;

ANNOTATIONS AND COMMENTS

Each country shall assign to any undefined terms used in the Agreement the same meaning as they are given under its national laws.

Article 2.1 specifies the laws to which the Agreement applies. For the United States, it applies to title II of the U.S. Social Security Act and the corresponding tax laws (the Federal Insurance Contributions Act and the Self-Employment Contributions Act of 1954) and any regulations pertaining to those laws. However, the Agreement does not apply to Medicare provisions (sections 226 and 226 A of the Social Security Act) or provisions for special payments to uninsured individuals age 72 or over under section 228 of the Social Security Act. Persons to whom the Agreement applies who qualify independently for Medicare hospital insurance or age-72 payments will be entitled to receive such benefits.

In France, a general social security system provides protection for about 80 percent of the population. It pays benefits in case of old age, death, maternity and sickness (both reimbursement of health care costs and cash benefits), invalidity and work accident or occupational disease. Special systems provide similar benefits for agricultural workers, merchant seamen, miners, utility company employees, government employees and self-employed workers. There are also special provisions dealing with old-age and invalidity benefits for clergymen and lawyers. The Agreement applies to both the general and special social security systems, with the exception of the special system for civil servants.

(iv) laws on family benefits;

(v) laws concerning special social security systems to the extent they relate to the risks or benefits covered by the laws enumerated in the preceding clauses, but excluding the special system for civil servants;

(vi) the law on the systems for seamen;

(vii) laws concerning sickness and maternity insurance for nonagricultural self-employed workers and laws concerning sickness and maternity insurance for agricultural self-employed workers;

(viii) laws concerning old-age allowances and old-age insurance for nonagricultural self-employed workers, laws concerning old-age and invalidity insurance for clergymen and members of religious orders, laws concerning old-age and invalidity insurance for attorneys, and laws concerning old-age insurance for agricultural self-employed workers.

2. Notwithstanding paragraph 1(b)(ii) and (vii) of this Article, this Agreement shall not apply to provisions of French laws which extend to French nationals who work or have worked outside French territory the right to enroll in voluntary insurance.

The Agreement does not affect provisions of French law which stipulate that only French nationals may continue social security coverage and contributions on a voluntary basis while outside France.

3. This Agreement shall also apply to legislation which amends or supplements the laws specified in paragraph 1; however, it shall apply to future legislation of a Contracting State which creates new categories of beneficiaries only if the Competent Authority of that Contracting State does not notify the Competent Authority of the other Contracting State in writing within three months of the date of the official publication of the new legislation that no such extension of the Agreement is intended.

The Agreement automatically applies to future laws which amend provisions of the social security laws set forth in paragraph 1 of this Article.

However, if any future laws provide benefits for new categories of beneficiaries which were not included in the laws listed in paragraph 1 as of the Agreement's effective date, the State enacting the new law may exclude them from the scope of the Agreement by giving written notification to the other State within 3 months of their official publication.

AGREEMENT

4. Unless otherwise provided in this Agreement, laws within the meaning of paragraph 1 shall not include Regulations on Social Security implementing the Treaties establishing the European Communities or treaties or other international agreements which may be in force between either Contracting State and a third State, or laws or regulations promulgated for their specific implementation.

Article 3

Unless otherwise provided, this Agreement shall apply to

(a) persons who are or have been subject to the laws of either Contracting State and who are nationals of either Contracting State, refugees or stateless persons and

(b) other persons with respect to the rights they derive from the persons mentioned in paragraph (a).

Article 4

A national of a Contracting State who resides within the territory of the other Contracting State and to whom the provisions of this Agreement apply shall, together with his dependents, receive equal treatment with the nationals of the other Contracting State in the application of the laws of the other State regarding entitlement to and payment of benefits.

ANNOTATIONS AND COMMENTS

The laws to which the Agreement applies do not include treaties and other international agreements (or laws implementing them)--for example, either country's bilateral social security agreements with third countries or multilateral agreements to which either country is a party, such as the social security regulations of the European Communities. The purpose of this provision is to ensure that in cases where a person has periods of coverage in the United States and France and periods of coverage in a third country with which the United States or France has a social security agreement, periods from all three countries could not be combined to meet U.S. or French benefit eligibility requirements.

Article 3 specifies the categories of persons to whom the Agreement applies. These include persons who are currently working in covered employment or self-employment or who have been credited with periods of coverage under the system of either country in the past, provided the persons are U.S. or French nationals, refugees or stateless persons. See Articles 1.2, 1.8 and 1.9 for definitions of "national," "refugee" and "stateless person." In addition, the Agreement applies to family members and survivors who derive rights from such persons. Articles 10, 12.5, and 16 extend the application of the agreement to third country nationals for the purpose of specific provisions.

Article 4 provides that a U.S. or French national to whom the Agreement applies who resides in one country will be accorded the same treatment regarding benefit rights under that country's social security laws as that country accords its own nationals. This provision is not intended to affect the coverage provisions of either country's laws, since these are dealt with specifically in Part II of the Agreement.

AGREEMENT

PART II

Provisions on Coverage

ANNOTATIONS AND COMMENTS

Part II is intended to eliminate dual coverage, i.e., situations where a worker is covered under the laws of both countries with respect to the same services. In so doing, the existing coverage provisions of the laws of both countries are preserved to the greatest extent possible. The provisions in this Part are intended to eliminate dual coverage by continuing the worker's social security coverage and taxation under the system of the country to whose economy he has the more direct connection and exempting him from coverage and taxation under the other country's system.

Article 5 sets forth general rules for eliminating dual social security coverage and contributions for persons employed in either the United States or France or on board U.S. or French ships. Article 6 contains several exceptions to these general rules. Article 7 provides rules for the elimination of dual coverage in the case of self-employed persons. Article 8 establishes rules applicable to persons employed in U.S. or French Government service.

Article 5

1. Unless otherwise provided in this Agreement, a person employed within the territory of one of the Contracting States shall, with respect to that employment, be subject to the laws of only that Contracting State, even if the person resides in the territory of the other Contracting State or the place of business of the person's employer is in the territory of the other Contracting State.

Article 5.1 establishes a general territoriality rule which stipulates that ordinarily a person's employment in a country will be compulsorily covered by only that country. Thus, a person working in employment covered under the laws of both countries will remain covered under the system of the country where the employment takes place and will be exempt from coverage under the system of the other country.

2. Unless otherwise provided in this Agreement, a person employed on a vessel which flies the flag of a Contracting State who would otherwise be covered under the laws of both Contracting States shall be subject to the laws of only the State whose flag the vessel flies. For the purpose of this paragraph, a vessel which flies the flag of the United States is an "American vessel" within the meaning of United States laws.

Under Article 5.2, a person employed on a U.S. or French ship who is covered under the laws of both countries will be covered only under the laws of the country whose flag the ship flies. A ship is considered to fly the flag of the United States if it is an American vessel as defined in section 210(c) of the Social Security Act. Under that definition, an American vessel is one that is documented or numbered under U.S. law or one that is not documented or numbered under the law of any country if its crew is employed solely by one or more U.S. citizens or residents or corporations organized under Federal or State law.

AGREEMENT

ANNOTATIONS AND COMMENTS

Article 6

1. Where an employed person who is covered under the laws of one Contracting State with respect to work performed for an employer in the territory of that Contracting State is sent by that employer to work in the territory of the other Contracting State, the person shall be subject to the laws of only the first Contracting State as if he were employed in its territory, provided that the period of work in the territory of the other Contracting State is not expected to exceed 5 years.

Under Article 6.1, an employee working for an employer located in the United States or France who is temporarily transferred to work in the other country for the same employer (or, under certain conditions, a foreign affiliate of the same employer) will continue to be covered by the country from which the employee has been transferred. This rule will apply only if the transfer is expected to last 5 years or less.

Article 6.1 is subject to several special rules that are provided elsewhere in the Agreement and in the Administrative Arrangement that has been concluded for implementation of the Agreement. For purposes of measuring the length of a transfer in the case of workers who have been sent from one country to the other before the Agreement enters into force, Article 27.6 provides that any period of work before the Agreement's entry into force will be disregarded. Under Article 6.3, the exemption from social security coverage and contributions for employees who are sent to a country for 5 years or less will apply to U.S. or French nationals even if they have not been sent directly from the other country but are first assigned to work in a third country. Third country nationals who are sent from a third country will be subject to the laws of only the host country. Article 3.2 of the Administrative Arrangement stipulates that Article 6.1 of the Agreement will only apply to a worker sent from the United States to France if the worker has private health insurance. Article 4.1 of the Administrative Arrangement provides special rules that apply in the case of an employee who is sent from one country to the other on a series of assignments.

2. Article 5, paragraph 2, shall not apply in the case of a person who is employed in the territorial waters or in a port of a Contracting State on a vessel flying the flag of the other Contracting State, if the person is not ordinarily employed at sea and is not a crew member. In such cases, Article 5, paragraph 1, or Article 6, paragraph 1, shall apply as appropriate.

Article 6.2 makes it clear that Article 5.2 applies only to persons who are ordinarily employed on a ship as crew members while the ship is at sea. Other persons who may perform occasional duties on a U.S. or French ship while it is in the territorial waters or a port of the other country (e.g., longshoremen, repairmen and maintenance crews) will generally be subject to the laws of the country in which they are working

in accordance with Article 5.1. However, if such a person who performs duties on board a ship in the territorial waters or a port of one country has been sent from the other country on temporary assignment, the person may continue to be covered in the country from which he was sent in accordance with Article 6.1.

3. Paragraph 1 shall apply in the case of an employed person who has been sent by his employer from the territory of a Contracting State to the territory of a third state and subsequently sent by that employer from the territory of the third state to the territory of the other Contracting State, only if the employed person is a national of a Contracting State.

See the annotation to Article 6.1.

4. A person who is employed in a public or private international air transport enterprise of one of the Contracting States as a member of the travelling personnel and who would otherwise be covered under the laws of both Contracting States shall be subject to the laws of only the Contracting State where the enterprise is headquartered.

Under Article 6.4, a member of the flight crew of an aircraft operating between the United States and France who would otherwise be covered under the laws of both countries will be covered only under the laws of the country in which the company is headquartered.

Article 7

Article 7 provides rules for eliminating dual coverage and contributions with respect to self-employment. Since French law generally does not provide coverage for self-employment performed outside France, these rules will primarily affect U.S. citizens or residents who perform self-employment in France. Absent the Agreement, these persons are generally covered under both countries' social security systems for their self-employment in France. Under the Agreement, this work will be covered under one system or the other but not both.

1. A person who is self-employed in the territory of one Contracting State shall be subject to the laws of only that Contracting State even if he resides in the territory of the other Contracting State.

Under Article 7.1, a person who performs self-employment in one country only will be covered exclusively under the laws of that country.

2. A person who is normally self-employed in the territory of one Contracting State and who performs self-employment for a temporary period in the territory of the other Contracting State shall be subject to the laws of only the first Contracting State, provided that the period of self-employment in the territory of the other Contracting State is not expected to exceed 24 months.

Under Article 7.2, a person who is self-employed in one country and transfers his business to the other country for a period of 24 months or less will remain covered only by the country from which he has transfered his business. For purposes of measuring the duration of such a transfer in the case of a person who moved his business to the other country before the Agreement enters into force, Article 27.6 provides that any period of self-employment before the Agreement's entry into force will be disregarded. Article 3.2 of the Administrative Arrangement stipulates that Article 7.2 of the Agreement will only apply to a self-employed person who moves from the United States to France if the person has private health insurance. Article 4.2 of the Administrative Arrangement provides special rules that apply in the case of a person who moves from one country to the other for successive periods of self-employment.

3. Except as provided in paragraph 4, a person normally self-employed in the territory of both Contracting States shall be subject to the laws of only the Contracting State in whose territory the person performs his principal activity.

Under Article 7.3, a self-employed person who performs self-employment in both countries will be subject only to the laws of the country in which the person performs his or her principal activity. In accordance with Article 5.1 of the Administrative Arrangement, this will be considered to be the country in which the worker maintains a fixed base for more than 183 days in the taxable year. If the worker maintains a fixed base in neither the United States nor France for more than 183 days, or maintains a fixed base in both countries for more than 183 days, the person's country of principal activity will be the one in which he or she is physically present for the greater number of days.

4. A person who is engaged in agricultural self-employment in the territory of one of the Contracting States and who is also employed or self-employed in the territory of the other Contracting State shall be subject, with respect to the agricultural self-employment, only to the laws of the Contracting State in whose territory it is performed.

Article 7.4, which is included at the request of the French side, provides that a person who is engaged in agricultural self-employment in one country will be subject to the laws of only that country with respect to that self-employment even if he also works in the other country.

Article 8

1. This Agreement shall not affect the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.

Article 8 provides coverage rules applicable to employees of the U.S. and French Governments. Article 8.1 is intended to make it clear that, in general, the categories of persons mentioned in the Vienna Conventions on diplomatic and

consular relations will not be affected by the coverage provisions of the Agreement. The Conventions, to which both the United States and France are parties, apply to members of the staff of a diplomatic or consular mission, including the diplomatic, consular, administrative and technical staffs; dependents of members of those staffs; the domestic service staff of the mission; and private servants employed by members of such missions.

In general, the Vienna Conventions exempt such persons from social security coverage and contributions under the laws of the host country unless specific arrangements have been made to waive their immunity. Persons whose immunity has been waived will be subject to the laws of the host country, including the coverage provisions of this Agreement.

2. Nationals of one of the Contracting States who are employed by the Government of that Contracting State in the territory of the other Contracting State but who are not exempt from the laws of the other Contracting State by virtue of the Conventions mentioned in paragraph 1 shall be subject to the laws of only the first Contracting State. For the purposes of this paragraph, employment by the United States Government includes employment by an instrumentality thereof and employment by the French Government means employment in the service of the French Government or an instrumentality ("organisme dependant") of the French Government performed in the territory of the United States by employees or civil servants or military personnel or persons treated as such.

Article 8.2 provides that if a U.S. or French national is employed by his Government in the other country but is not in one of the categories mentioned in the Vienna Conventions (i.e., is not employed in a diplomatic or consular capacity), the person will be subject only to the laws of his own country.

Article 9

The Competent Authorities of the two Contracting States may agree to grant exceptions to the provisions of this Part in the interest of any person or category of persons, provided that the affected person shall be subject to the laws of one of the Contracting States.

Under Article 9, either country may grant an exception to the coverage rules of the Agreement provided the other country agrees. Such an exception may be granted on behalf of an individual worker or on behalf of all workers employed under similar circumstances, e.g., in the same profession or for the same employer. This provision is designed to permit the Competent Authorities to correct anomalous situations that arise to the disadvantage of workers or to eliminate dual coverage in unforeseen circumstances.

AGREEMENT

ANNOTATIONS AND COMMENTS

Article 10

Except as provided in Article 6, paragraph 3, the provisions of Articles 5, 6, 7 and 9 shall apply to persons regardless of their nationality who would otherwise be covered under the laws of both Contracting States.

In accordance with the provisions of Article 3, the Agreement generally applies to persons who are U.S. or French nationals, refugees, or stateless persons. Under Article 10, however, the coverage provisions (other than Article 8 dealing with government employees) will be applicable without regard to the worker's nationality. This will make it possible, for example, to eliminate dual social security coverage and contributions for U.S. resident aliens who are self-employed in France or employed in France by an American employer.

AGREEMENT

ANNOTATIONS AND COMMENTS

PART III

Provisions on Old-age, Survivors and Invalidity Benefits

Chapter 1

General Provisions

Part III includes benefit portability guarantees for residents of the United States and France and establishes the basic rules for determining entitlement to social security benefits when an individual has worked in both countries. It also sets forth the rules for determining benefit amounts when entitlement is based on combined work credits.

Article 11

1. Except as otherwise provided in this Agreement, any provision of United States laws which restricts, suspends or terminates entitlement to or payment of cash benefits solely because the person resides outside or is absent from the territory of the United States shall not be applicable to persons who reside in the territory of France.

Article 11.1 provides an exemption from the alien nonpayment provisions of section 202(t)(1) of the United States Social Security Act for persons who reside in France. Since a 1968 exchange of diplomatic notes between the United States and France has already established such an exemption for French nationals outside the United States, the primary effect of Article 11.1 will be to remove payment restrictions for certain third country nationals who reside in France.

In addition to the portability guarantee provided for French residents in Article 11.1, the entry into force of the agreement will also liberalize a restriction on exportation of U.S. dependents and survivors benefits that now applies to French citizens and residents. Under U.S. law, social security dependents and survivors benefits may not be paid to aliens who first become eligible for benefits after 1984 and who are outside the United States for more than 6 months unless they satisfy certain U.S. residency requirements or they are citizens or residents of a country with which the United States has an international social security agreement in force. Once this Agreement enters into force, citizens and residents of France will no longer be subject to this nonpayment provision.

AGREEMENT

2. Except as otherwise provided in this Agreement, benefits provided under French laws shall not be subject to any restriction on entitlement or any reduction, modification, suspension, termination, or forfeiture solely because the person described in Article 3 resides in the territory of the United States.

ANNOTATIONS AND COMMENTS

Article 11.2 guarantees that U.S. or French nationals, refugees and stateless persons, as well as dependents and survivors of the foregoing, who reside in the United States can qualify for and receive French benefits without restriction due to their residence outside France. The 1968 diplomatic notes on reciprocity of social security payments between the United States and France--which remain in force--will continue to provide for payment of French benefits to U.S. nationals while they reside in third countries.

Chapter 2

Provisions Applicable to the United States

Article 12

1. Where a person has completed at least six quarters of coverage under United States laws, but does not have sufficient quarters of coverage to satisfy the requirements for entitlement to benefits under United States laws, the agency of the United States shall take into account, for the purpose of establishing entitlement to benefits under this Article, periods of coverage which are credited under French laws and which do not coincide with periods of coverage already credited under United States laws.

2. In determining eligibility for benefits under paragraph 1 of this Article, the agency of the United States shall credit one quarter of coverage for every calendar quarter credited under French laws, except that no quarter of coverage shall be credited for any calendar quarter already credited as a quarter of coverage under United States laws. The total number of quarters of coverage to be credited for a year shall not exceed four.

Article 12 contains rules for determining U.S. benefit eligibility and amounts in the case of people who have periods of social security coverage in France and at least six quarters of coverage in the United States, but who do not have enough U.S coverage to qualify for U.S. benefits. In such cases, the Social Security Administration, in accordance with Article 12.1, will take into account any periods of coverage credited under French laws insofar as these periods do not coincide with quarters of coverage already credited under U.S. laws.

Both the United States and France credit social security coverage in terms of calendar quarters. Article 12.2, therefore, provides that the United States will credit one quarter of coverage for each French quarter of coverage that does not coincide with a quarter of coverage already credited under the U.S. system.

AGREEMENT

3. When entitlement to a benefit under United States laws is established according to the provisions of paragraph 1, the agency of the United States shall first compute a theoretical primary insurance amount in accordance with United States laws (including, as appropriate, the provisions of those laws on indexing of earnings) as if the worker had completed a coverage lifetime as determined in accordance with United States laws at the same earnings level as is credited to the worker during the periods of coverage actually completed under those laws. The agency of the United States shall then compute a pro rata primary insurance amount by applying to the theoretical primary insurance amount the ratio of the duration of the worker's periods of coverage credited under United States laws to the duration of a coverage lifetime. Benefits payable under United States laws on the basis of an earnings record where a pro rata primary insurance amount has been computed shall be paid on the basis of that pro rata primary insurance amount.

4. Entitlement to a benefit from the United States which results from paragraph 1 shall terminate with the acquisition of sufficient periods of coverage under United States laws to establish entitlement to an equal or higher benefit without the need to invoke the provisions of paragraph 1.

5. The provisions of this Article and Article 11, paragraph 1, shall apply to persons without regard to their nationality.

ANNOTATIONS AND COMMENTS

Article 12.3 describes the method of computing U.S. benefit amounts where entitlement is established based on the totalization (i.e, combination) of U. S. and French coverage. As stipulated in Article 12.1, persons who qualify for U.S. benefits based on their U.S. coverage alone are not eligible for totalization benefits from the United States.

Under the procedure outlined in Article 12.3, the amount of a worker's benefit depends on both the level of his earnings and the duration of his coverage under U.S. Social Security. This computation procedure is described in detail in regulations promulgated by the Department of Health and Human Services (20 CFR 404.1918 as revised July 24, 1984). The first step in the procedure is to compute a theoretical benefit amount as though the worker had worked a full coverage lifetime (i.e., full career) under U.S. Social Security at the same earnings level as during his actual periods of U.S. covered work. The theoretical benefit is then prorated to reflect the proportion of a coverage lifetime completed under the U.S. program. A coverage lifetime is defined in the regulations as the number of the worker's benefit computation years, i.e., the years which must be used in determining a worker's average earnings under the regular U.S. national computation method.

Article 12.4 provides that where a worker who is entitled to a pro rata totalization benefit from the United States acquires additional U.S. coverage which enables him to qualify for an equal or higher benefit based on his U.S. coverage alone, the Social Security Administration will pay the regular national law benefit rather than the totalization benefit.

Article 3 generally limits the scope of the Agreement to U.S. and French nationals, refugees, stateless persons and dependents and survivors of the foregoing. Article 12.5 is intended to make clear that articles 11.1 and 12 of the Agreement apply to third country nationals as well as U.S. and French nationals. Thus, any person credited with U.S. and French periods of coverage can have those periods totalized for the purpose of determining eligibility for U.S. benefits

AGREEMENT

Chapter 3

Provisions Applicable to France

Article 13

1. Nationals of either of the Contracting States, refugees, and stateless persons who have been subject successively or alternately to one or several social insurance systems in each of the Contracting States shall receive benefits under French laws as provided in this Article.

ANNOTATIONS AND COMMENTS

regardless of the person's nationality. In addition, U.S. benefits, whether based on totalization or not, will be paid to French residents without regard to nationality. Payment of U.S. benefits to non-U.S. citizens in third countries will be subject to the provisions of U.S. law, including the alien nonpayment provisions of section 202(t) of the Social Security Act.

France provides old-age, survivors and disability protection through several separate programs. A general social security system covers the majority of workers in the private sector, and numerous special systems cover other workers in specific occupational categories. In order to qualify for French benefits, a worker must meet the applicable eligibility standards, which, for certain types of benefits, include minimum length-of-coverage and recency-of-work requirements.

The totalization provisions set forth in Chapter 3 apply to the French social security laws which govern the payment of retirement, long-term invalidity, and survivors benefits under the general and special social security systems. Under these provisions, France will combine U.S. coverage with periods of French coverage in order that persons who do not otherwise meet the minimum coverage or recency-of-work requirements may become eligible for a partial French benefit.

Under the French general system, old-age and some categories of survivors benefits may generally be paid based on as little as one calendar quarter of contributions. Because of this immediate vesting, there will normally be no need for France to take account of a worker's U.S. coverage for the purpose of establishing entitlement to these benefits.

While a worker can qualify for an old-age pension under the general system after a relatively short period of covered work, the amount of the pension is dependent upon both the duration of the worker's coverage and the level of his or her earnings. A full old-age pension is payable at age 60 with 150 quarters (37.5 years) of coverage. A full pension is equal to 50 percent of the average of the 10 years of highest revalued earnings. (Past earnings are revalued to reflect average wage increases.) A worker who retires with less than 150 quarters receives a reduced pension. The pension amount may be increased by a spouse's or child's supplement.

A periodic survivor benefit, called a reversionary pension, equal to 52 percent of the pension the worker was receiving or could have received at death, is payable to a widow, widower or surviving divorced spouse who has not remarried if the survivor is at least age 55 or disabled. For surviving spouses under age 55 and not disabled, a small income-tested allowance is payable for 3 years in flat, decreasing annual amounts if the worker had been covered during the 3 months preceding death.

In addition, a lump-sum death payment is made to the spouse or other survivor of a worker who has credit for a specified amount of covered work during the 6 months preceding death.

AGREEMENT

2. Except as provided in paragraph 3, when the individual has sufficient coverage to satisfy the requirements of French laws for entitlement to an old-age, survivor, or invalidity pension without the necessity of referring to the periods of coverage completed under United States laws, the French agency shall determine the amount of the pension according to the provisions of French laws, taking into account only the periods of coverage completed under French laws.

3. (a) Notwithstanding paragraph 2, when an individual who qualifies for an invalidity pension under French laws is also entitled to a disability benefit under United States laws, the French agency shall determine the amount of the invalidity pension it pays according to the provisions of paragraph 4.b(ii) and (iii).

ANNOTATIONS AND COMMENTS

Two types of permanent invalidity pension are payable under the general system: one for total disability (loss of all working capacity) and the other for partial disability (loss of 2/3 of working capacity). To be eligible for an invalidity pension, a worker must have been registered in the social security system for at least 12 months and must have credit for at least 800 hours of work during the 4 calendar quarters preceding the work incapacity, including at least 200 hours during the first of these 4 quarters. The annual amount of the total invalidity pension equals 50 percent of the worker's average annual revalued earnings (subject to a maximum benefit equal to 50 percent of the contribution ceiling); the partial invalidity pension equals 30 percent (subject to a maximum pension equal to 30 percent of the contribution ceiling). A supplement equal to roughly 75 percent of the average wage of workers in manufacturing can be paid if the beneficiary's medical condition necessitates the constant attendance of another person.

Article 13.2 stipulates that the French agencies will not be required to take into account U.S. periods of coverage in determining benefit amounts if a worker's periods of coverage under the French system alone are sufficient to entitle him to a benefit. However, under Article 13.3, French invalidity benefits for which a person could become eligible based on French periods of coverage alone may be prorated if a worker is also receiving a U.S. disability benefit.

Article 13.3 is an exception to the general rule that a country will not apply the totalization benefit provisions of the Agreement if a worker could become eligible for benefits without application of the Agreement. Under French law, it is possible for a person to qualify for a full invalidity pension after contributing to the French social security system for only

(b) If the amount of the invalidity pension computed exclusively according to French laws without recourse to this Agreement would be greater than the total amount of the benefits payable by the agencies of both Contracting States in accordance with the provisions of this Agreement, the French agency shall pay the benefit amount computed in accordance with the provisions of paragraph 4.b(ii) and (iii) increased by the difference between the amount of the invalidity pension computed exclusively according to French laws and such total amount.

a few months. In the case of workers who are also receiving U.S. disability benefits based on substantial periods of U.S. coverage, the full French invalidity pension could be viewed as a "windfall." Article 13.3(a), therefore, authorizes the French agencies to reduce the amount of the "full" pension that would otherwise be payable to workers who first become eligible after the Agreement enters into force by multiplying it times the ratio of the duration of French periods of coverage to combined U.S. and French periods. However, Article 13.3(b) guarantees that the combined benefits the worker receives from both countries under the Agreement will never be less than the invalidity pension that would have been payable under French national law absent the Agreement.

4. When the individual does not have sufficient coverage to satisfy the requirements for a French old-age, survivor or invalidity pension, the benefit which the individual may claim from the French agency shall be awarded according to the following rules:

Article 13.4 establishes the general rules for determining French benefit eligibility and amounts in the case of workers who have periods of coverage in France and the United States, but not enough French coverage to qualify for benefits from the French system. These provisions affect eligibility for those categories of French benefits for which the worker must complete minimum coverage or recency-of-work requirements: i.e., invalidity and certain survivors benefits (other than the reversionary benefit for survivors) under the general system and old-age, survivors and invalidity benefits under the special social security systems.

a. Totalization of periods of coverage

The agency of France shall take account of periods of coverage credited under the laws of the United States to the extent that they do not coincide with periods of coverage credited under French laws, both for purposes of determining the right to benefits as well as the maintenance or recovery of this right.

Articles 13.4(a) and 13.4(b)(i) provide that the French agencies will add U.S. quarters of coverage to periods of French coverage in determining whether the person meets the minimum coverage and recency-of-work requirements for benefit eligibility under French law. France will not give credit for U.S. coverage which coincides with periods that are already credited under French laws.

b. Award of the benefit

(i) Taking account of the totalization of periods as provided in subparagraph a., the French agency shall determine, according to its own laws, if the applicant meets the requirements for entitlement to an old-age, survivor or invalidity pension under its laws.

(ii) If the applicant is eligible for a pension, the French agency shall determine the benefit to which the insured would have been entitled if all the periods of coverage and equivalent periods had been completed exclusively under its own laws. When the amount of the pension is based on the average salary during all or part of the period of coverage, the average salary shall be determined on the basis of the period of coverage completed under French laws.

(iii) The benefit payable to the beneficiary shall be determined by reducing the amount of the benefit referred to in (ii) above to a pro rata amount based on the ratio of (A) the duration of periods of coverage and equivalent periods acquired under French laws to (B) the total periods completed under the laws of the two Contracting States. The total referred to in (B) above shall be limited to the number of quarters of coverage required to qualify for a full old-age pension under French laws.

5. If a person no longer has a right to a French invalidity pension because he is not covered under French laws, the French agency shall award an invalidity pension in accordance with the provisions of paragraph 4 (a) and (b) above, provided that the person has completed at least 6 quarters of coverage under United States laws or is eligible for Social Security benefits under United States laws.

Articles 13.4(b)(ii) and 13.4(b)(iii) establish the rules to be applied by the French agencies in determining benefit amounts when a person qualifies for old-age, survivors or disability benefits by taking account of the worker's periods of U.S. coverage. In this case, the French agencies, in accordance with Article 13.4(b)(ii), will first compute a theoretical benefit amount as if the worker's U.S. periods of coverage had been completed under French laws. In determining the average annual revalued earnings on which the theoretical benefit amount is based (see annotation to Article 13.1), the French agencies will consider only earnings that were covered under the French social security system.

Under Article 13.4(b)(iii), the French agency will compute the amount of the benefit it will actually pay by prorating the theoretical amount determined under Article 13.4(b)(ii). The pro rata benefit will be computed by multiplying the theoretical amount by the ratio of the periods of coverage under French laws to the total periods in both countries. To avoid an excessive pro rata reduction for workers with many years of coverage under the U.S. and French systems, the denominator of the ratio is limited to the number of quarters of coverage required for a full old-age pension under French laws --currently 150 quarters.

Under French law, a worker generally cannot qualify for an invalidity pension unless he or she has been enrolled in the French social security system for at least 12 months and has credit for at least 800 hours of work during the 4 calendar quarters preceding disability onset, including 200 hours during the first of these 4 quarters. As a result, few workers who become disabled while in the United States have been able to qualify for a French invalidity pension.

AGREEMENT

ANNOTATIONS AND COMMENTS

Article 13.5 liberalizes French law so that U.S. coverage can be taken into account for the purpose of meeting the 12-month registration and recent-work requirements if the worker has at least 6 quarters of U.S. coverage or is eligible for a U.S. retirement, survivors or disability benefit.

Article 14

If the sum of the periods of coverage completed under French laws is less than one year, the French agency shall not be required to award benefits on the basis of the said periods unless a right to benefits is acquired under French laws solely on the basis of these periods. In this case, the benefit shall be awarded only on the basis of these periods.

Under Article 14, the French agency will not take U.S. periods of coverage into account under the Agreement if the worker has less than one year of French coverage. Like the similar 6-quarter-of-coverage requirement for totalization by the United States under Article 12.1, this provision is intended to avoid the considerable administrative burden that would result from processing claims for very small benefits based on minimal periods of coverage.

Article 15

Nationals of either Contracting State shall be entitled to enroll in voluntary insurance provided by French Social Security laws when they reside in French territory, taking into account as appropriate periods of coverage or equivalent periods completed under United States laws.

French law permits persons who are not covered under social security to pay contributions voluntarily in order to enroll in the social security health insurance and cash sickness benefit program. In addition, persons who are not covered but who were formerly covered compulsorily for at least 6 months under the general or special systems may pay contributions voluntarily to continue their old-age, survivors and invalidity insurance protection. Article 15 guarantees that U.S. nationals who reside in France will be eligible to contribute voluntarily on the same basis as French nationals and will be allowed to use U.S. periods of coverage to meet the 6-month prior coverage requirement for voluntary old-age, survivors and invalidity coverage under French law. Under Article 2.2, this guarantee does not extend to provisions of French law which permit French nationals working outside France to contribute voluntarily.

AGREEMENT

ANNOTATIONS AND COMMENTS

Article 16

Benefits based on periods of coverage completed under French laws shall be paid to nationals of a third state with which France has a Social Security convention if they reside in the territory of the United States.

Articles 3 and 11.2 guarantee that France will export its social security benefits to U.S. residents who are U.S. or French nationals, refugees or stateless persons, as well as to their U.S. resident dependents and survivors regardless of nationality. Under Article 16, this guarantee is extended to third country nationals who reside in the United States if France has a social security agreement with their country of nationality.

Article 17

1. Where French laws award certain benefits only on the condition that the periods of coverage were completed in a profession covered by a special system or in a specified profession or employment, the periods acquired under United States laws shall be taken into account in determining eligibility for these benefits only if they were acquired in the same profession or employment.

In many cases, the benefits provided under the special French social security systems for specific occupational categories are more favorable than those under the general system (they are never less favorable). Article 17.1 makes it clear that a worker's U.S. periods of coverage will be taken into account to meet the eligibility requirements for these special system benefits, but only if they were completed in an occupation or profession similar to that covered by the special system.

2. If, taking account of the periods thus acquired, the individual does not meet the requirements for entitlement to the said benefits, these periods shall be taken into account for the award of benefits under the general system, without taking into account their special nature.

Article 17.2 provides that if the U.S. periods of coverage, totalized with French periods of coverage under a special system, do not qualify the worker for benefits under the special system, the periods will be taken into account for meeting the eligibility requirements for benefits under the French general system.

3. Notwithstanding the provisions of Article 11, paragraph 2:

(a) The special allowance and cumulative indemnity provided by the special French laws for mine workers shall be payable only to individuals who work in French mines.

Article 17.3 contains several exceptions to the benefit portability guarantee included in Article 11.2 with respect to benefits provided by the special French social security system for mine workers.

Old-age pensions are payable under the French mine workers system beginning at age 50 if a worker has credit for at least 30 years of work in a mining industry, including at least 2 years underground.

AGREEMENT	ANNOTATIONS AND COMMENTS
	The "special allowance" for mine workers is paid to individuals under age 55 who continue to work in mining and who have worked in that industry for at least 30 years, including a specified period of time underground. The allowance is paid in addition to the worker's regular salary and varies in amount based on the number of years the individual has worked underground. If the individual continues to work in mining beyond age 55 the special allowance is converted into a "cumulative indemnity". The cumulative indemnity replaces the regular pension the worker would receive if he stopped working. Article 17.3(a) provides that the special allowance and cumulative indemnity will only be paid to persons who continue to work in French mines.
(b) The allowances for dependent children provided by the special French laws for mine workers shall be paid according to the conditions specified therein.	Old-age, invalidity and widow beneficiaries under the French mine workers system may receive a monthly flat-rate allowance for their dependent children. For the recipient of a miners' benefit to be eligible for the dependent child's allowance, the child must reside in France. Article 17.3(b) stipulates that the Agreement will not affect this residence requirement or any other condition for the award of the dependent child's allowance.
(c) The occupational invalidity pension provided by the special laws applicable to mine workers in France shall be paid to insured individuals who are subject to these special laws at the moment the accident or sickness which led to the invalidity occurred if the individuals resided in France until the date of award of the said pension. The pension shall be discontinued for pensioners who resume work outside of France.	The French mine workers system pays two types of invalidity pension: a general invalidity pension is payable if a mine worker suffers a two-thirds loss of all earnings capacity from any profession, and an occupational invalidity pension is payable if the mine worker is no longer able to derive half his previous earnings in his normal mining occupation. Under Article 17.3(c), the occupational invalidity pension will be paid only if a person is working in employment covered by the mine workers system at the time of disability onset. In addition, the individual will be required to continue to reside in France until the benefit is awarded. Although the beneficiary may thereafter leave France, the occupational invalidity pension will be discontinued if the person resumes work while outside France.

AGREEMENT

Article 18

The provisions of the present chapter are applicable, by analogy, to the rights of surviving spouses and children.

ANNOTATIONS AND COMMENTS

Article 18 makes clear that the Agreement provisions on entitlement to French benefits based on totalization of periods of coverage and the provisions on computation of French pro rata benefits will also apply in cases where a person would not otherwise qualify for a survivors benefit under French laws.

AGREEMENT

ANNOTATIONS AND COMMENTS

PART IV

Miscellaneous Provisions

Article 19

1. The Competent Authorities and the agencies of the Contracting States, within the scope of their respective authorities, shall assist each other in implementing this Agreement.

Article 19.1 provides authority for the two countries to assist each other in administering this Agreement. Such assistance would include, for example, the taking of applications, and the gathering and exchanging of information relevant to claims filed under the Agreement.

2. The Competent Authorities of the two Contracting States shall:

   (a) Conclude an Administrative Arrangement and make such other arrangements as may be necessary for the application of this Agreement;

   (b) Communicate to each other information concerning the measures taken for the application of this Agreement; and

   (c) Communicate to each other, as soon as possible, information concerning all changes in their respective laws which may affect the application of this Agreement.

Article 19.2 lists several duties of the Competent Authorities under the Agreement. It authorizes them to negotiate an Administrative Arrangement and develop joint procedures to implement and administer the Agreement. It also requires the Competent Authorities to notify each other of the measures they have taken unilaterally to implement the Agreement, as well as any changes in their respective social security laws that may affect the application of the Agreement.

3. Liaison agencies for the implementation of this Agreement shall be designated in the Administrative Arrangement.

Article 19.3 requires that the general administrative arrangement referred to in Article 19.2(a) specify the liaison agencies that will have primary responsibility for coordinating and administering the coverage and benefit provisions of the Agreement.

AGREEMENT	ANNOTATIONS AND COMMENTS
Article 20	
1. The Competent Authorities and agencies of the Contracting States may correspond directly with each other and with any person wherever the person may reside whenever it is necessary for the administration of this Agreement. The correspondence may be in the writer's official language.	Article 20.1 authorizes direct correspondence between the Competent Authorities and agencies of the two countries and between these bodies and any person with whom they may need to communicate. The correspondence may be in either English or French.
2. An application or document may not be rejected because it is in an official language of the other Contracting State.	The agencies of each country will accept applications or documents in either English or French.
3. Exemptions from or reductions in taxes or stamp, registration or enrollment fees provided by the laws of one of the Contracting States for evidence or documents which must be presented in application of the laws of that State shall be extended to the corresponding evidence or documents to be presented to the social security authorities or agencies of the other State in application of this Agreement.	Article 20.3 provides that if the laws of one country exempt documents submitted in connection with a social security claim from fees or charges, that country shall also apply the exemption with respect to documents which are sent to the other country by or on behalf of a claimant or beneficiary.
4. Documents and certificates which are presented for purposes of this Agreement shall be exempted from requirements for authentication or legalization by diplomatic or consular authorities.	Some countries require that the authenticity of documents which are submitted to their social security authorities by or on behalf of persons in another country be certified by a diplomatic, consular or other official representative in the other country. (The United States has no such requirements.) Under Article 20.4, neither the United States nor France will require such authentication of documents submitted under the Agreement.
5. Copies of documents which are certified as true and exact copies by an agency of one Contracting State shall be accepted as true and exact copies by an agency of the other Contracting State, without further certification. The agency of each Contracting State shall be the final judge of the probative value of the evidence submitted to it from whatever source.	If the agency of one country certifies that a copy of a document it furnishes to an agency of the other country is a true and exact copy of an original document, the other country will accept this certification. Nevertheless, the agency of each country will remain the final judge of the probative value of any documents submitted to it.

AGREEMENT

ANNOTATIONS AND COMMENTS

Article 21

1. The provisions of this Agreement shall apply only to an application for benefits which is filed on or after the date this Agreement enters into force.

Article 21.1 requires that a person claiming benefits under the Agreement file an application either on or after the date the Agreement enters into force. If a person files an application prior to this date, a new application will be necessary.

2. A written application for benefits filed with an agency of one Contracting State shall protect the rights of the claimants under the laws of the other Contracting State if the applicant requests that it be considered an application under the laws of the other Contracting State.

3. If an applicant has filed a written application for benefits with the agency of one Contracting State and has not specifically restricted the application to benefits under the laws of that State, the application shall also protect the rights of the claimants under the laws of the other Contracting State if the applicant provides information at the time of filing indicating that the person on whose record benefits are claimed has completed periods of coverage under the laws of the other Contracting State.

Under Article 21.2, a written application submitted to the agency of one country will protect a claimant's right to benefits under the laws of the other country as if the application had been presented in the other country, provided the applicant expresses an intent to file for benefits in the other country when the application is filed. Because an applicant may not be fully aware of his or her benefit rights in the other country, Article 21.3 also provides that, in the absence of an expression of intent, the application will protect the claimant's rights in the other country if, at the time of filing, the applicant indicates that the person on whose record benefits are claimed has been covered under social security in the other country.

Article 22

An application, appeal, or other document which according to the laws of a Contracting State must be submitted to an agency of that Contracting State within a specified period shall be considered to have been submitted on time if it is submitted within the same period to an agency of the other Contracting State. In such case, the agency to which the application, appeal, or document has been submitted shall indicate the date of receipt on the document and transmit it without delay to the liaison agency of the other Contracting State.

Article 22 provides that an application, appeal or other document which must be filed within a prescribed time limit with an agency of one country shall be considered to have been filed on time if filed within such limit with an agency of the other country. The agency with which the application, appeal or other document is filed shall transmit it without delay to the liaison agency of the other country, indicating the date the document was received.

AGREEMENT	ANNOTATIONS AND COMMENTS
Article 23	
1. Payments under this Agreement may be made in the currency of the Contracting State making the payment.	Benefits to be paid by a country under this Agreement may be paid in the currency of that country. This corresponds to the current practice of both countries regarding benefit payments.
2. In case provisions designed to restrict the exchange or exportation of currencies are introduced by either Contracting State, the Governments of both Contracting States shall immediately decide on the measures necessary to insure the transfer of sums owed by either Contracting State under this Agreement.	Should either country impose restrictions on the exchange or exportation of its currency, steps shall be taken to assure the payment of amounts due under the Agreement.
Article 24	
1. Disagreements arising in connection with the application of this Agreement shall, as far as possible, be resolved by the Competent Authorities of the Contracting States.	Article 24.1 obligates the Competent Authorities to attempt to resolve any dispute between them regarding the Agreement through direct consultation or negotiation.
2. If any such disagreement has not been resolved within a period of six months, either Contracting State may submit the matter to binding arbitration by an arbitral body whose composition and procedure shall be agreed upon by the Contracting States.	Article 24.2 requires both States to establish an arbitral procedure in any case where a disagreement has not been resolved within six months by the Competent Authorities and either State requests that the matter be submitted to arbitration.
Article 25	
This Agreement may be amended in the future by supplementary agreements which, from their entry into force, shall be considered an integral part of this Agreement. Such supplementary agreements may be given retroactive effect if they so specify.	Article 25 provides that the Agreement may be amended by future supplementary agreements and that such agreements may have retroactive effect.
Article 26	
This Agreement shall not affect provisions of French laws concerning the participation of non-nationals in the organizations necessary for the operation of the Social Security systems.	Article 26 makes clear that the Agreement will in no way affect provisions of French law that exclude non-French nationals from participation in the administrative, consultative or governing bodies of the French social security system or that otherwise regulate their participation therein.

AGREEMENT

ANNOTATIONS AND COMMENTS

PART V

Transitional and Final Provisions

Article 27

1. This Agreement shall not establish any claim to benefits for any period before its entry into force or to a lump-sum death benefit under United States laws if the person died before its entry into force.

Benefits payable as a result of the Agreement will be paid only for periods beginning with the date on which the Agreement enters into force. Any lump-sum death payments provided by section 202(i) of the U.S. Social Security Act will be payable under the Agreement only if the death occurs on or after the date the Agreement enters into force.

2. Periods of coverage completed before the entry into force of this Agreement shall be taken into account in order to determine the right to benefits under this Agreement, except that neither Contracting State shall be required to take into account periods of coverage occurring prior to the earliest date for which periods of coverage may be credited under its laws.

In determining benefit eligibility and amounts under the Agreement, periods of coverage occurring before the Agreement enters into force will be taken into account. However, the Social Security Administration will not credit French periods of coverage completed prior to 1937, the earliest year for which coverage may be credited under U.S. law.

3. This Agreement shall apply to events which occurred prior to its entry into force insofar as those events are relevant to rights under the laws specified in Article 2.

Under Article 27.3, events material to the determination of benefit rights, such as marriage, death, disability, or attainment of a certain age, which occurred prior to the effective date of the Agreement will be considered in applying the Agreement.

4. This Agreement shall not result in the reduction of any cash benefit to which entitlement existed prior to its entry into force.

Article 27.4 guarantees that benefits which are already being paid at the time the Agreement takes effect will not be reduced because of its entry into force.

5. (a) Determinations made before the entry into force of this Agreement shall not affect rights arising under it.

A decision to award or deny a claim which was rendered prior to the effective date of the Agreement will not prevent a person from filing a new application for additional benefits that may be payable as a result of the Agreement.

AGREEMENT	ANNOTATIONS AND COMMENTS
(b) Any benefit which was denied or suspended under the domestic law of either Contracting State but which is payable by virtue of this Agreement shall, upon application of the person concerned, be awarded or reinstated upon entry into force of the Agreement, provided that the right to such benefit has not been settled by a lump-sum payment.	Under French law, a claimant in certain cases may receive a refund of a worker's contributions or other lump-sum payment in lieu of periodic benefits. Payment of the refund or lump-sum liquidates future benefit rights based on the worker's periods of coverage. The French agencies will not be obligated to award benefits based on the Agreement if a claimant has previously received such a refund or lump-sum payment. Notwithstanding Article 27.5(b), the Social Security Administration will resume payment of any U.S. benefits that have been suspended based on the beneficiary's citizenship or place of residence but which are payable to French citizens or residents as a result of the Agreement without the filing of a new application.
(c) Benefit rights which a person acquired prior to the entry into force of this Agreement may be reviewed upon application of the person concerned taking into account the provisions of this Agreement.	Article 27.5(c) permits a person who is already receiving benefits to apply to have his benefit rights reviewed after the Agreement's entry into force. This provision, which was included at the request of the French side, is intended to provide additional protection for beneficiaries under French law. It is not expected to have any effect under U.S. law, since under Article 12.1, the totalization benefit provisions applicable to the United States only apply where a worker would otherwise have insufficient U.S. coverage to qualify for a benefit.
6. In applying Article 6, paragraph 1, or Article 7, paragraph 2, in the case of persons who began a period of work in the territory of the other Contracting State prior to the effective date of this Agreement, the period of work or self-employment referred to in those two paragraphs shall be considered to begin on that effective date.	Under Article 6.1, an employee who is transferred by his employer in one country to work in the other country for 5 years or less will continue to be covered under the social security system of the first country and will be exempt from coverage in the host country. Similarly, Article 7.2 provides that a self-employed person who transfers his business from one country to the other country for 24 months or less will remain covered only by the country from which he has transferred his business. Article 27.6 makes clear that Articles 6.1 and 7.2 can also apply to persons who began working in the other country prior to the effective date of the Agreement provided they intend to return to their country of origin within 5 years of the Agreement's effective date in the case of temporarily transferred employees or within 24 months of the Agreement's effective date in the case of self-employed persons.

Article 28

1. The Governments of both Contracting States shall notify each other in writing of the completion of their respective statutory and constitutional procedures required for the entry into force of this Agreement.

2. This Agreement shall enter into force on the first day of the third month following the date of the last notification.

Each country will follow its own constitutional procedures for approval of the Agreement. In the United States, the Agreement must be presented to the Congress for a review period of 60 days during which at least one House of Congress has been in session as required by section 233(e) of the U.S. Social Security Act. In France, the Agreement must be approved by the French Parliament. The Agreement will enter into force on the first day of the third calendar month after each Government has received formal notification of approval from the other Government.

Article 29

1. This Agreement shall remain in force and effect until the expiration of one calendar year following the year in which written notice of its termination is given by one of the Contracting States to the other Contracting State.

2. If this Agreement is terminated, rights regarding entitlement to or payment of benefits acquired under it shall be retained; the Contracting States shall make arrangements dealing with rights in the process of being acquired.

Article 29.1 provides for the Agreement to remain in effect until the expiration of 1 calendar year after the year notice of termination is given by one of the countries.

Article 29.2 provides that, in the event of termination of the Agreement, a person will retain benefit rights acquired before termination; special arrangements would determine the extent to which each country would recognize benefit rights in the process of being acquired at the time of termination--for example, periods of coverage which had not yet resulted in fully insured status.

In witness whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

Done at Paris on March 2, 1987, in duplicate in the English and French languages, both texts being equally authentic.

FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:

Joe M. Rodgers
Ambassador Extraordinary
and Plenipotentiary

FOR THE GOVERNMENT OF
THE FRENCH REPUBLIC:

Philippe Seguin
Minister of Social Affairs
and Employment

ADMINISTRATIVE ARRANGEMENT

ANNOTATIONS AND COMMENTS

ADMINISTRATIVE ARRANGEMENT CONCERNING THE APPLICATION OF THE AGREEMENT ON SOCIAL SECURITY BETWEEN THE UNITED STATES OF AMERICA AND THE FRENCH REPUBLIC

Pursuant to the provisions of Article 19, paragraph 2(a), of the Agreement between the United States of America and the French Republic on Social Security, signed March 2, 1987, hereinafter referred to as the "Agreement", the Competent Authorities of the two Contracting States have agreed on the following provisions for application of the Agreement:

ADMINISTRATIVE ARRANGEMENT

ANNOTATIONS AND COMMENTS

PART I

General Provisions

ARTICLE 1

Terms used in this Administrative Arrangement shall have the same meaning as in the Agreement.

Article 1 provides that terms used in both the Agreement and this Administrative Arrangement, whether defined in the Agreement or not, shall have the same meaning as in the Agreement.

ARTICLE 2

1. Pursuant to Article 19, paragraph 3, of the Agreement, the liaison agencies designated by the Competent Authorities of the two Contracting States shall be:

(a) For the United States of America:

-- the Social Security Administration;

(b) For France:

-- the Center for Social Security of Migrant Workers (Centre de la Securite Sociale des Travailleurs Migrants);

-- the National Independent Social Security Fund for Miners (Caisse Autonome Nationale de la Securite Sociale dans les Mines) with respect to coverage and invalidity and old-age benefits and death allowances under the social security system for mine workers.

Article 2 designates the agencies in each country that will have primary responsibility for coordinating and administering the coverage and benefit provisions of the Agreement. The Social Security Administration is the designated liaison agency for the United States. The Center for Social Security of Migrant Workers is the counterpart liaison agency for France, except that, with respect to the French social security program for mine workers, the French liaison agency is the National Independent Social Security Fund for Miners.

2. The United States Social Security Administration and the French Competent Authorities shall agree upon joint procedures and forms necessary for the application of the Agreement and this Administrative Arrangement.

Article 2.2 authorizes and requires SSA and the French ministries responsible for social security (generally the Ministry of Social Affairs and Employment and the Ministry of Agriculture) to agree upon those procedures and forms which must be prepared jointly for the implementation of the Agreement and Administrative Arrangement.

ADMINISTRATIVE ARRANGEMENT

ANNOTATIONS AND COMMENTS

PART II

Provisions on Coverage

ARTICLE 3

Article 3 establishes procedures pursuant to Part II of the Agreement for the elimination of dual social security coverage and taxation of the same work under the systems of both the United States and France.

1. In applying Part II of the Agreement,

(a) where the laws of a Contracting State continue to be applicable in accordance with Article 6, paragraph 1, or Article 7, paragraph 2, of the Agreement, the agency of that Contracting State designated in paragraph 3 shall issue, upon request of the employer or self-employed person, a certificate stating that, for the duration of the mission, the employee or self-employed person remains covered by those laws with respect to the work in question;

Article 3.1(a) provides that where a person is temporarily transferred from one country to the other (or, in the case of a self-employed person, where the person temporarily moves his business from one country to the other) and the laws of the sending country continue to apply to the person in accordance with Article 6.1 or 7.2 of the Agreement, the agency of the sending country will issue a certificate to that effect when requested to do so by the sending employer or the self-employed person. When presented to the appropriate agency of the other country, the certificate will establish the basis for the worker's exemption from the coverage laws of the other country in accordance with Article 3.1(c). Retroactive recovery of U.S. contributions paid with respect to services for which a coverage exemption has been in effect would be subject to the time limitations for refunds of taxes in the Internal Revenue Code.

(b) in all other cases where the laws of a Contracting State are applicable in accordance with Part II of the Agreement, the agency of that Contracting State designated in paragraph 3 shall issue, upon request of the employer or self-employed person, a certificate stating that the employee or self-employed person is subject to the laws of that Contracting State;

Article 3.1(b) extends the procedure described in Article 3.1(a) for documenting coverage exemptions to workers who are exempted from compulsory coverage in one country or the other by virtue of Agreement provisions other than Article 6.1 or 7.2. For example, a U.S. citizen employed permanently in France by an American employer will be covered only by France in accordance with Article 5.1 of the Agreement and will be able to request a certificate of French coverage from the appropriate French agency in order to establish the basis for an exemption from U.S. social security taxation for himself and his employer.

ADMINISTRATIVE ARRANGEMENT

(c) the certificates referred to in subparagraphs (a) and (b) shall exempt the named worker from the laws on compulsory coverage of the other Contracting State.

2. In the case of a person who has been sent from the United States to France in accordance with Article 6, paragraph 1, or Article 7, paragraph 2, of the Agreement, the United States agency shall only issue a certificate under paragraph 1 of this Article if the employer or self-employed person has certified that the employee in the first case, or the self-employed person in the second case, is covered under a program which insures the person and the family members who accompany him against the cost of health care.

If the employee or self-employed person is not covered under such a program, the person concerned shall be subject to French laws and exempt from United States laws in accordance with Article 5 or Article 7, paragraph 1, of the Agreement.

3. The certificates referred to in paragraph 1 shall be issued:

a) In the United States of America by:

-- the Social Security Administration;

ANNOTATIONS AND COMMENTS

See the annotations to Article 3.1(a) and (b).

Under Article 6.1 and 7.2 of the Agreement, a worker who is sent from the United States to France for a temporary period (i.e., for not more than 5 years in the case of an employed person or 24 months in the case of a self-employed person) will generally remain covered under the U.S. Social Security program and exempt from French social security coverage and contributions. A worker who is exempt from French social security coverage will be excluded not only from the French retirement, survivors, and disability insurance programs, but also from other French social security programs, including national health insurance.

During the negotiation of the Agreement, the French social security authorities expressed concern that some U.S.-based workers in France who are excluded from French health insurance contributions and benefits as a result of the Agreement might be left without any health insurance protection and not have the financial means to use national health insurance facilities on a reimbursable basis. In order to help avoid this situation, Article 3.2 provides that such workers will only be exempt from the French social security program if the worker's employer, or the worker himself in the case of a self-employed person, attests to the fact that the worker and any family members who accompany the worker have private health insurance.

Article 3.3 designates the agencies responsible for issuing coverage certificates.

b) In France by:

-- the Primary Sickness Insurance Fund (Caisse Primaire d'Assurance Maladie) for persons covered under the general social security system,

-- the agency responsible for administering a particular special social security system for persons covered under that system,

-- the agency designated by the Regional Mutual Benefit Funds (Caisses Mutuelles Regionales) with respect to self-employed persons,

-- the National Independent Social Security Fund for Miners (Caisse Autonome Nationale de Securite Sociale dans les Mines) for persons covered under the social security system for mine workers,

-- the Agricultural Social Insurance Mutual Benefit Fund (Caisse de Mutualite Sociale Agricole) for persons covered under the agricultural social security system,

-- the National Establishment for Disabled Seafarers (Etablissement National des Invalides de la Marine) for persons covered under the social security system for seafarers.

4. The agency of a Contracting State which issues the certificates referred to in paragraph 1 shall furnish a copy of these certificates to the liaison agency of the other Contracting State.

Article 3.4 provides that the designated agencies will furnish copies of the certificates they issue to the liaison agency in the other country.

ADMINISTRATIVE ARRANGEMENT

ARTICLE 4

1. If an agency of a Contracting State has issued a certificate referred to in Article 3, paragraph 1 (a), of this Administrative Arrangement with respect to a worker for a period of work in the territory of the other Contracting State to which the person was sent in accordance with Article 6, paragraph 1, of the Agreement, and the worker subsequently begins a new period of work in the territory of the other Contracting State, the worker shall not be entitled to a certificate with respect to the new period unless

(1) the new period of work begins at least 1 year after the end of the initial period of work or

(2) the new period of work is not expected to last beyond 5 years from the date on which the initial period of work began.

ANNOTATIONS AND COMMENTS

Article 4 of the Administrative Arrangement clarifies the manner in which the coverage rules of the Agreement (specifically, Articles 6.1 and 7.2) apply in the case of employed or self-employed persons from one country who have successive assignments or periods of work in the other country. Under Article 6.1 of the Agreement, an employee who is transferred by his employer from one country to the other for a period not expected to exceed 5 years will remain subject to the social security laws of the sending country and exempt from the laws of the host country. Article 7.2 of the Agreement provides a similar rule for self-employed persons who transfer their trade or business from one country to the other for a period not expected to exceed 24 months.

Articles 6.1 and 7.2 of the Agreement are intended to eliminate dual coverage while maintaining the worker's coverage in the country to which he or she has the greater economic attachment. Article 4.1 of the Administrative Arrangement ensures that Article 6.1 of the Agreement will be applied in a manner consistent with its intent when employees are posted for a series of assignments. Under Article 4.1, if an employer sends an employee from one country to the other for a series of assignments, the employee will remain subject to the laws of the sending country and exempt from the laws of the host country during the second or any subsequent assignment only if that assignment is expected to end within 5 years of the beginning date of the first assignment, or if a period of 1 year has elapsed since the end of the most recent assignment.

ADMINISTRATIVE ARRANGEMENT

2. If an agency of a Contracting State has issued a certificate referred to in Article 3, paragraph 1 (a), of this Administrative Arrangement with respect to a worker for a temporary period of self-employment performed in the territory of the other Contracting State in accordance with Article 7, paragraph 2, of the Agreement, and the worker subsequently begins a new period of self-employment in the territory of the other Contracting State, the worker shall not be entitled to a certificate with respect to the new period unless

(1) the new period of self-employment begins at least 1 year after the end of the initial period of self-employment or

(2) the new period of self-employment is not expected to last beyond 24 months from the date on which the initial period of self-employment began.

ARTICLE 5

1. For purposes of Article 7, paragraph 3, of the Agreement, a self-employed person shall be considered to perform his principal activity in the territory of the Contracting State in which he maintains a fixed base for more than 183 days during the fiscal year concerned.

If the person maintains a fixed base in the territory of both Contracting States or of neither Contracting State for more than 183 days in such year, he shall be considered to perform his principal activity in the territory of the Contracting State in which he is present for the greater number of days in such year.

Where difficulties arise, the agencies shall furnish each other with all information necessary to determine the principal activity of the person concerned.

ANNOTATIONS AND COMMENTS

Article 4.2 extends the rule in Article 4.1 regarding multiple transfers to self-employed persons who travel from the United States to France or vice versa. If a person travels from one country to the other more than once to perform self-employment, the person will remain subject to the laws of the first country and exempt from the laws of the host country during the second or any subsequent period of self-employment only if that period is expected to end within 24 months after the beginning date of the first period of self-employment in the host country, or if a period of 1 year has elapsed since the end of the most recent period of self-employment in the host country.

Under Article 7.3 of the Agreement, a person who performs self-employment in both the United States and France on an on-going basis is subject only to the laws of the country in which the person performs his or her principal activity. Article 5.1 of the Administrative Arrangement establishes the criteria that will be used to determine where such a worker performs the "principal activity" for purposes of applying this provision of the Agreement. Under Article 5.1, a self-employed person will generally be considered to perform his or her principal activity in the country in which he or she maintains a fixed base for more than 183 days during the fiscal year in question.

"Fixed base" is a concept used for determining liability for income tax on income derived from independent personal services under Article 14 of the U.S.-French income tax convention (Convention Between the United States of America and the French Republic with Respect to Taxes on Income and Property of July 28, 1967 (TIAS 6518), as amended by Protocols

of October 12, 1970, November 24, 1978, and January 17, 1984. In determining the location of a self-employed person's fixed base, therefore, the person, as well as the U.S. and French social security agencies, will be able to look to the tax convention. Although the tax convention does not define "fixed base," the Internal Revenue Service (IRS), in determining the income tax liability of self-employed persons, has generally interpreted the term to be similar to "permanent establishment," which is defined in Article 4 of the convention. For purposes of the convention, a permanent establishment generally means "a fixed place of business through which a resident of one of the Contracting States engages in industrial or commercial activity." Subject to certain specified exclusions, the term includes a seat of management, branch, office, factory, workshop, warehouse, mine, quarry, or other place of extraction of natural resources, or a building site or construction or assembly project which exists for more than 12 months. Although "permanent establishment" is defined in the tax convention only with respect to industrial or commercial activities, IRS has also referred to the term in order to determine the tax liability of self-employed persons engaged in liberal professions (e.g., physicians, attorneys, and performing artists).

If a person who is self-employed in both the United States and France maintains a fixed base in both countries for more than 183 days during the fiscal year, or does not maintain a fixed base in either country for more than 183 days during the fiscal year, the person will be subject to the social security coverage laws of the country in which he or she is physically present for the greater number of days.

Article 5.1 of the Administrative Arrangement also authorizes the U.S. and French social security agencies to exchange relevant information if necessary to determine the number of days a person has maintained a fixed base or been physically present in each country.

ADMINISTRATIVE ARRANGEMENT

2. If self-employment is covered under the laws of a Contracting State in accordance with Article 7, paragraph 3, of the Agreement, the amount of income from self-employment that is creditable for benefit computation purposes and the amount of contributions that are due under those laws shall be based on the income derived from self-employment performed in the territory of both Contracting States. The contribution rate to be applied in determining the amount of contributions due shall be that which applies under those laws.

ANNOTATIONS AND COMMENTS

Article 5.2 makes clear that a self-employed person who is covered under the laws of the United States or France as a result of Article 7.3 of the Agreement will be responsible for reporting all self-employment income derived from both countries to the proper authorities in the country where he is covered. The amount of contributions due under that country's laws will be determined by applying the contribution rate that applies under those laws to all of the reported income. The self-employment income from both countries will also be taken into account in computing the amount of the person's social security benefits. Since U.S. citizens and residents are already required to report their self-employment income to IRS on a worldwide basis, and France generally does not cover the self-employment of nonresidents, this provision will have little effect on U.S. citizens or residents unless they perform their principal self-employment activity in France.

ARTICLE 6

To establish eligibility for voluntary or continued optional coverage under the French social security system as provided by Article 15 of the Agreement, the person concerned shall submit to the French agency a record of the periods of coverage or equivalent periods completed under United States laws. This record shall be submitted by the United States agency if the person so requests.

Under Article 15 of the Agreement, U.S or French nationals who reside in France may have their periods of U.S. Social Security coverage taken into account when necessary for eligibility to contribute voluntarily to the French social security system. For example, under the French old-age, survivors, and invalidity insurance program, a person who leaves compulsorily covered work may continue to be covered and pay contributions on a voluntary basis if the person has credit for at least 6 months of compulsory coverage. Article 6 of the Administrative Arrangement stipulates that a person who applies for eligibility to contribute voluntarily under the French system must submit a record of his U.S. Social Security coverage to the appropriate French agency or request SSA to submit the coverage record directly to the French agency.

PART III

Provisions on Benefits

ARTICLE 7

1. The agency of a Contracting State with which an application for benefits is first filed in accordance with Article 21 of the Agreement shall inform the appropriate agency of the other Contracting State of this fact without delay, either directly or through the liaison agency, and provide such evidence and other available information as may be necessary to complete action on the claim.

2. The agency of a Contracting State which receives an application that was first filed with an agency of the other Contracting State shall without delay provide the appropriate agency of the other Contracting State, either directly or through the liaison agency, with such evidence and other available information as may be required to complete action on the claim.

3. The agency of the Contracting State with which an application for benefits has been filed shall verify the accuracy of the information pertaining to the applicant and his family members. The types of information to be verified shall be agreed upon by the Competent Authorities or, with their authorization, the liaison agencies.

Article 7.1 and 7.2 outline the procedures to be followed by both countries for the exchange of pertinent information needed to process claims filed under the Agreement.

The laws of both the United States and France require that certain information about individuals claiming benefits be verified (e.g., age and family relationship to the worker) before the claim can be approved. Article 7.3 provides that when a claim for benefits under the Agreement is filed in one country, the agency of that country will verify the relevant information and inform the appropriate agency of the other country of its findings. SSA and the appropriate French Ministries will agree upon the specific types of information which must be verified. The purpose of the provision is to expedite the claims process by avoiding the duplication of effort which would result if the agencies of both countries were required to verify the same information. Although an agency may accept the findings of the other agency concerning the accuracy of information, it may at its discretion request documentary evidence to support those findings.

ADMINISTRATIVE ARRANGEMENT

ANNOTATIONS AND COMMENTS

ARTICLE 8

1. When necessary for the application of Part III of the Agreement, an agency of a Contracting State shall send a record of the periods of coverage completed by a person under the laws of that Contracting State to the liaison agency of the other Contracting State.

Article 8 contains rules that will be followed by the social security agencies in the United States and France when crediting periods of coverage completed under the laws of the other country. Article 8.1 provides that where totalization is necessary to establish a person's right to benefits under the laws of one country, the liaison agency of that country will be able to obtain from the appropriate agency of the other country a record showing the quarters of coverage completed by the person under the social security system of the latter country.

2. When claiming benefits in accordance with Article 17 of the Agreement

(a) the claimant shall be responsible for furnishing the French agency all documentary evidence necessary to allow that agency to determine if it can take into account periods certified by the United States agency under paragraph 1;

French law provides for a number of special social security systems which cover specific categories of work, such as mining, farming and other types of self-employment. In some cases, the benefits provided under these special systems are more favorable than those provided under the general social security system. Article 17.1 of the Agreement provides that a worker's U.S. periods of coverage will be taken into account for the purpose of establishing entitlement to benefits under these special systems, but only if they were completed in an occupation or profession similar to that covered by the special system in question. Since SSA records generally do not specify the types of work on which a person's periods of coverage are based, Article 8.2 (a) of the Administrative Arrangement makes clear that a person claiming benefits from an agency that administers one of the French special systems will be responsible for furnishing that agency with the information necessary to determine if the U.S. periods of coverage certified by SSA were completed in an occupation or profession covered by the special system.

(b) services performed in the United States shall be considered to be performed underground if they would be so considered in accordance with the special French laws on social security for mine workers if the services had been performed in France.

Certain allowances provided under the special French social security system for mine workers are only paid if a person worked in underground mining (as defined in French law) for a specified period of time. Under Article 8.2 (b) of the Administrative Arrangement, the French miners system will credit periods of U.S. Social Security coverage as periods of underground mine work if the periods would have been so considered in accordance with French law if the work had been performed in France.

ADMINISTRATIVE ARRANGEMENT

3. In applying Part III of the Agreement in cases where periods of coverage under the laws of both Contracting States coincide, the agency of each Contracting State shall take into account only the periods of coverage completed under the laws which it applies.

4. For purposes of Article 13, paragraph 4(a), of the Agreement, one quarter of coverage certified by the United States agency shall equal one quarter of coverage credited under French laws.

ANNOTATIONS AND COMMENTS

Under the totalization provisions set forth in Articles 12 and 13 of the Agreement, the U.S. Social Security Administration and the responsible French agencies will take account of periods of social security coverage completed under the laws of the other country insofar as those periods do not coincide with periods already credited under their own laws. Article 8.3 of the Administrative Arrangement makes clear that where periods of U.S. and French coverage do coincide, each country, in determining entitlement to and the amount of totalization benefits, will count only the periods credited under its own laws (disregarding the coinciding period under the other country's laws). This provision has significance primarily in calculating the amount of French totalization benefits (i.e., where entitlement is established based on combined U.S. and French periods of coverage.) Under Article 13.4(b)(iii) of the Agreement, such benefits will be proportional to the ratio of the duration of the French periods of coverage to the combined duration of the U.S. and French periods. As a result of Article 8.3 of the Administrative Arrangement, in determining the value of this ratio, coinciding periods will be treated solely as French periods and therefore counted once in the numerator and once in the denominator.

Both the United States and France credit social security coverage in terms of calendar quarters. Article 8.4 of the Administrative Arrangement, therefore, provides that, in determining entitlement to and the amount of French totalization benefits, France will credit one quarter of coverage for each quarter of coverage credited under U.S. law. A similar provision dealing with the conversion of French periods of coverage into U.S. periods of coverage is contained in Article 12.2 of the Agreement.

ADMINISTRATIVE ARRANGEMENT

ANNOTATIONS AND COMMENTS

ARTICLE 9

Benefits which are awarded by an agency of a Contracting State in accordance with the Agreement shall be revalued according to the same provisions as benefits awarded in accordance with the laws of that Contracting State.

The amount of a benefit which has been awarded by an agency of the United States or France based on combined periods of coverage from the two countries will be adjusted based on changes in the cost of living or average wage levels in the same manner as regular benefits that are payable under the laws of that country.

ARTICLE 10

1. Benefits payable by an agency of a Contracting State shall be paid directly to the beneficiary in accordance with the laws of that Contracting State.

Article 10.1 makes clear that any benefits payable by one country to beneficiaries in the other country will not be sent to the agency of the other country for disbursement (as is the practice of some countries under their international agreements) but will be paid directly to the beneficiaries.

2. Laws of a Contracting State which provide for reduction, suspension, or termination of benefits to take account of other social security benefits or other income may be applied to beneficiaries even if benefits are being paid by virtue of the laws of the other Contracting State or if the individual receives income in the territory of the other Contracting State.

Under certain circumstances, U.S. retirement or disability benefits may be reduced if a beneficiary receives other monthly periodic payments--including foreign social security benefits--that are based on employment not covered under U.S. Social Security. In addition, both U.S. and French law include provisions that limit the amount of income a beneficiary may earn and still receive full benefits. Article 10.2 of the Administrative Arrangement reaffirms that such provisions of each country's laws will continue to apply when benefits are received from the other country's system or income or earnings are derived from the other country. However, as a result of Article 10.3, no pro rata retirement, survivors, or disability benefit that is payable by a country based on totalized periods of U.S. and French coverage will be reduced to take account of corresponding totalization benefits that are payable by the other country.

3. Notwithstanding paragraph 2, pro rata old-age, survivors, or disability benefits payable by the agency of one Contracting State in accordance with Part III of the Agreement shall not be reduced to take account of pro rata benefits of the same type that are paid by an agency of the other Contracting State.

ADMINISTRATIVE ARRANGEMENT

ANNOTATIONS AND COMMENTS

PART IV

Miscellaneous Provisions

ARTICLE 11

In accordance with measures to be agreed upon by the Competent Authorities or, with their authorization, the liaison agencies, the agencies of the two Contracting States shall communicate to each other, upon request and, if necessary, through the liaison agencies, all available information likely to affect a specified individual's benefits paid under the Agreement.

Article 11 provides that the agency of one country may, upon request, furnish claims-related information to the agency of the other country in accordance with agreed upon procedures. Such procedures will be agreed upon by the U.S. Social Security Administration and the French Ministries that are responsible for implementing the Agreement and will be consistent with the governing statutes of both countries.

ARTICLE 12

1. Where administrative assistance is furnished under Article 19, paragraph 1, of the Agreement, expenses other than regular personnel and operating costs of the agencies providing the assistance shall be reimbursed by the agency which requested it.

In accordance with Article 19.1 of the Agreement, the agencies of the two countries will provide each other with such administrative assistance as may be necessary to implement the provisions of the Agreement. Article 12 of the Administrative Arrangement indicates the types of assistance which will be provided without cost and the types which will be provided on a reimbursable basis.

Under Article 12.1, expenses incurred in responding to requests for administrative assistance which require an agency to go outside its own organization to provide the assistance, such as hiring interpreters or conducting special field investigations, shall be paid by the requesting agency. Expenses for regular personnel and operating costs will not be reimbursed.

2. Upon request, the agency of either Contracting State shall furnish without cost to the agency of the other Contracting State any medical information and documentation in its possession relevant to the disability of the claimant or beneficiary.

Where one agency requests medical information from the other agency, the other agency will send to the requesting agency any pertinent medical information it has in its possession free of charge.

ADMINISTRATIVE ARRANGEMENT

3. Where the agency of a Contracting State requires that a person in the territory of the other Contracting State who is receiving or applying for benefits under the Agreement submit to a medical examination, such examination, if requested by that agency, shall be arranged by the agency of the other Contracting State in accordance with the rules of the agency making the arrangements and at the expense of the agency which requests the examination.

4. Amounts owed under paragraph 1 or 3 shall be reimbursed upon presentation of a statement of expenses.

ARTICLE 13

The liaison agencies of the two Contracting States shall exchange statistics on the number of certificates issued under Article 3 of this Administrative Arrangement and on the payments made to beneficiaries under the Agreement. These statistics shall be furnished annually in a form to be agreed upon by the Competent Authorities or the liaison agencies.

ARTICLE 14

Unless otherwise required by the national statutes of a Contracting State, information about an individual which is transmitted in accordance with the Agreement to that Contracting State by the other Contracting State shall be used exclusively for purposes of implementing the Agreement. Such information received by a Contracting State shall be governed by the national statutes of that Contracting State for the protection of privacy and confidentiality of personal data.

ANNOTATIONS AND COMMENTS

Article 12.3 provides that where a medical examination is necessary to establish eligibility for or continuing entitlement to benefits under one country's system, and the claimant or beneficiary is located in the other country, the agency of the country in which the person is located will, upon request, arrange for the examination at the expense of the agency requesting the examination.

In order to receive reimbursement for administrative assistance, the agency which provides the service must present the requesting agency with a statement of expenses.

Article 13 provides for an exchange of statistics concerning the number of coverage certificates issued pursuant to Article 3.1 of this Administrative Arrangement, and the payments made to beneficiaries under the Agreement.

Both the United States and France have statutes and regulations that provide strict safeguards for maintaining the confidentiality of information pertaining to individuals which is in the possession of their respective Governments. In the United States, these statutes include the Freedom of Information Act, the Privacy Act, the Tax Reform Act of 1976, the Government in the Sunshine Act, and pertinent provisions of the Social Security Act and other related statutes. Article 14 provides that personal information pertaining to an individual which one country furnishes to the other under the Agreement will be protected in accordance with the applicable provisions of the other country's privacy and confidentiality laws.

REPORT TO CONGRESS
ON THE FINANCIAL EFFECT
OF THE U.S.-FRENCH SOCIAL SECURITY AGREEMENT

The attached tables present estimates on the effects of the proposed U.S.-French social security agreement on the income and expenditures of both countries' social security programs and the number of people who will be affected by the agreement. The estimates are based on the assumption that the agreement will become effective on October 1, 1988.

Table 1 shows the estimated additional costs that would accrue to each country's system as a result of the agreement. These costs would occur because (1) each country would pay additional benefits to certain people who have worked in both the United States and France but who could not qualify for benefits from one or both without the agreement, and (2) each country would lose social security tax income from workers who were previously required to contribute to both systems for the same work but who would contribute only to one system under the agreement.

Table 2 shows the number of people who would become eligible for a partial OASDI benefit from the United States or France under the agreement. Also shown in Table 2 is the number of employees in each country who, along with their employers, would no longer be subject to dual Social Security coverage and taxation.

Table 1.--Estimated additional costs to the U.S. and French Social Security systems under a proposed totalization agreement between the two countries

(In millions)

	Fiscal year				
	1988	1989	1990	1991	1992
Additional costs to the U.S. Social Security system:					
Increase in OASDI benefit payments	(1/)	(1/)	(1/)	(1/)	(1/)
Reduction in OASDHI tax contributions	$5	$8	$10	$10	$11
Total	5	8	10	10	11
Additional costs to the French Social Security system:					
Increase in benefit payments	(1/)	(1/)	(1/)	(1/)	(1/)
Reduction in tax contributions	10	15	19	20	21
Total	10	15	19	20	21

1/ Less than $500,000.

Table 2.--Estimated number of persons who would be affected by a proposed totalization agreement between the United States and France

	Fiscal year				
	1988	1989	1990	1991	1992
Number of persons receiving a totalized OASDI benefit based in part on employment in France under the proposed agreement (in current-pay status at mid-year)	100	200	200	200	200
Number of persons receiving a totalized French benefit based in part on employment in the United States under the proposed agreement (in current-pay status at mid-year)	(1/)	(1/)	(1/)	(1/)	(1/)
Number of U.S. employees in France who, along with their employers, would no longer make tax contributions during the year to the French Social Security system	880	975	1,140	1,140	1,140
Number of French employees in the United States who, along with their employers, would no longer make tax contributions to the OASDHI Trust Funds	900	1,350	1,575	1,575	1,575

1/ Fewer than 50.

Social Security Administration
Office of the Actuary
March 6, 1987

ADMINISTRATIVE ARRANGEMENT

ARTICLE 15

This Administrative Arrangement shall enter into force on the date of entry into force of the Agreement and shall have the same period of validity.

Done at Washington on October 21, 1987 in duplicate in the English and French languages, both texts being equally authentic.

FOR THE UNITED STATES COMPETENT AUTHORITY:

Otis R. Bowen, M.D.
Dorcas R. Hardy

FOR THE FRENCH COMPETENT AUTHORITIES:

Emmanuel de Margerie

ANNOTATIONS AND COMMENTS

The Administrative Arrangement will enter into force on the same date as the Agreement and will remain in effect for the same period as the Agreement.